

JPRS 74843

31 December 1979

# Latin America Report

No. 2090

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<b>REPORT DOCUMENTATION PAGE</b>		1. REPORT NO. JPRS 74843	2.	3. Recipient's Accession No.
4. Title and Subtitle LATIN AMERICA REPORT, No. 2090			5. Report Date 31 December 1979	
7. Author(s)			6.	
9. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201			8. Performing Organization Rept. No.	
12. Sponsoring Organization Name and Address  As above			10. Project/Task/Work Unit No.	
			11. Contract(C) or Grant(G) No. (C) (G)	
13. Type of Report & Period Covered			14.	
15. Supplementary Notes				
16. Abstract (Limit: 200 words)  The serial report contains articles on political and sociological developments in major areas of Latin America, as reported primarily from Latin American newspapers and periodicals. It also includes information on major segments of Latin American economy, geography, culture, and ethnography.				
17. Document Analysis a. Descriptors				
Political Science	<input checked="" type="checkbox"/> Inter-American Affairs	Haiti		
Sociology	<input checked="" type="checkbox"/> Argentina	Honduras		
Economics	Barbados	Jamaica		
Culture	Bolivia	Mexico		
Ethnology	<input checked="" type="checkbox"/> Brazil	Netherlands		
Technological	<input checked="" type="checkbox"/> Chile	Antilles		
Geography	Colombia	<input checked="" type="checkbox"/> Nicaragua		
	Costa Rica	Panama		
	<input checked="" type="checkbox"/> Cuba	Paraguay		
	Dominican Republic	Peru		
	Ecuador	Trinidad-Tobago		
	El Salvador	<input checked="" type="checkbox"/> Uruguay		
	Guatemala	<input checked="" type="checkbox"/> Venezuela		
	Guyana			
b. Identifiers/Open Ended Terms				
c. COSATI Field/Group 5D, 5C, 5K				
18. Availability Statement Unlimited Availability Sold by NTIS Springfield, Virginia 22161		19. Security Class (This Report) UNCLASSIFIED		21. No. of Pages 187
		20. Security Class (This Page) UNCLASSIFIED		22. Price

31 December 1979

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SELA, ECLA LEADERS ANALYZE REGION'S ECONOMIC ISSUES

Caracas EL UNIVERSAL in Spanish 15 Nov 79 p 2-3

[Text] The root of the problems discussed centered on an economic and social development strategy for the eighties.

The permanent secretary of SELA [Latin American Economic System], Carlos Alzamora, and the executive secretary of ECIA [Economic Commission for Latin America], Enrique Iglesias, and their teams of advisors held an 8-hour working meeting yesterday to make an indepth study of the economic and social problems and to prepare the foundations for the overall strategy with which Latin America must confront the decade of the eighties.

At that meeting, held yesterday at SELA headquarters, the two high-ranking Latin American executives examined the world economic picture, the possibilities for international understanding and the alternatives left open to the Third World and for Latin America in particular by the final failure of the North-South Dialog.

The work centered on the regional economic situation in the perspective of the 1980's, and on the urgent need for Latin America to design and implement an overall strategy which will use its political capacity for agreement and its overall potential for negotiation in defense of regional interests. Examination of Latin America's relations with the industrial countries and in particular with the United States, the European Economic Community, Japan and the socialist countries threw into relief the need to develop a coordinated trade strategy which will assure a balance in the concessions and advantages granted and received by the region as a whole, and which will take into account the restrictions and discriminations which are present in each of those large markets.

At the same time it pointed up the need to establish mechanisms for financing intraregional exports of capital goods, thus enabling the industries of the region to compete with the transnationals. This consideration is so much more important in view of the present magnitude of Latin American reserves and their balanced distribution, which encourage their combined utilization to resolve the internal deficit problems of the region.



In that context it became clear that a special and autonomous meeting of Latin American finance ministers, within the framework of the regional economic system, is called for to consider the plans proposed for regional financial cooperation, the importance of which was emphasized.

Likewise an indepth analysis was made of the critical situation of the integration process and the resulting need for SELA to intensify its efforts to support and coordinate the work of the subregional plans and to take advantage of a recent political thrust to orient and revitalize the technical negotiation.

The energy problem and its effects in the region was of particular interest to the former Uruguayan minister and the Peruvian ambassador. They studied the means of insuring a supply of hydrocarbons at official price levels through government-to-government negotiations and methods of cooperation which will aid the importing countries of the region to overcome the financial problems they face.

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# JOURNAL FORESEES SLOW ECONOMIC ACTIVITY IN 1980

Buenos Aires LA PRENSA in Spanish 25 Nov 79 Sec 2a pp 1, 2

[Text] In its regular monthly report on the progress of the economy, the publication FIDE [Research and Development Foundation]-Economic Cycle and Development states: "The macroeconomic results for the third quarter indicate a widespread slowdown in the general rates of activity;" observing that this tendency "will probably continue throughout next year as well."

The publication adds that, at the same time, the October indicators showed slighter rises in the price indexes, brought about mainly by the decline that has occurred in the prices of meat products, which cut the prices of their leading substitutes, "comprising an especially critical situation for all those products."

## Incentive for Imports

According to the publication, the incentive for imports, which it described as a "major anti-inflationary expedient used up until now," does not appear to have brought great results. It backed its claim by giving clothing as an example, wherein there was a seasonal increment of the same intensity as last year; while declaring that the process of openness toward the external area has been reflected in an accelerated replacement of native production with that from abroad.

The publication states: "However, it is foreseeable that, after the seasonal peaks anticipated in December and January have ended, the retail price index will remain about what it is currently;" adding: "This will be achieved on the condition that the state of adverse relative prices continues in the agricultural and livestock sector, and the penetration of foreign manufactures becomes even more complete."

## 'Inflationary Floor,' and Real Prices

The report from FIDE-Economic Cycle and Development remarks that "the viability of a lower inflationary floor" has prompted government officials to

devise a hypothesis of a 50 percent variation in the index on inflation for 1980.

With regard to the application of that hypothesis in projecting the revenue from tariffs, the report goes on to say that it would entail consolidating the current deficit situation of the state-owned companies; which would become even worse in the event that the anticipated inflation target of 50 percent should fall below the real movement of prices.

#### Exchange Parity

The publication declares: "The existence of a cheap dollar is still a necessary requirement for the present anti-inflationary policy;" adding that this is needed both to increase the domestic supply and to insure the continuity of supplies of imported manufactures.

It also maintains that a contributing factor in the process is the necessity for a large flow of external financing.

"While the existence of an undervalued dollar has become a necessary requisite, the adequate requisite, in turn, consists of the assurance of remuneration for borrowed capital that would make the operating risk attractive."

Considering that concept essential, it states that, consequently, interest rates should be "highly positive" for as long a time as possible; something that is also a requisite for keeping internal savings within the local financial circuit, and not directed toward the purchase of foreign exchange.

#### Low Level of Economic Activity

One infers from the report that the increased cost of capital, together with the greater competition from imports and the lack of incentives for exports, will prove to be the deciding factor in the low level of activity which it predicts for 1980.

It notes that the state of reduced activity will coexist with an exacerbation of the problems related to the balance of payments, reflected in an adverse balance in current account.

The report concludes by stating: "Despite the fact that ending next year with a deficit in the external sector could be avoided by resorting to the high level of current reserves, that contingency would prove incompatible with the maintenance of long-term equilibrium in the balance of payments."

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# MARTINEZ DE HOZ EMPHASIZES CONTINUITY OF ECONOMIC PLAN

Buenos Aires LA NACION in Spanish 28 Nov 79 pp 1, 18

[Text] At the conclusion of the luncheon held at the Plaza Hotel by the Coordinating Agency for Food Product Industries (COPAL), to mark its fourth anniversary, the minister of economy, Dr Jose A. Martinez de Hoz, stated that the general features of the economic program would continue to be implemented after March 1981.

He cautioned: "Those who are doing so should not count on a change; because there will be no change in the general features of the program." He stressed the fact that it would continue until at least March 1981; adding that it is not the plan of President Videla or of Minister Martinez de Hoz, but rather the program approved by the armed forces, the general features of which will remain in effect after the aforementioned date.

He considered any potential devaluation of the peso "highly unfeasible," and said that to set the adjustment in exchange at the price level would mean abetting the inflationary process. Although admitting that the difference between the two factors has been sizable, he noted that prices should be geared to the rate of exchange, and predicted a low inflation rate for November.

He reiterated that an attempt is being made to broaden the base for levying the value added tax (VAT), eliminating products which are currently exempt, and supplanting 30 other taxes; and he denied that the measure might have negative effects with regard to inflation and the retrogressive redistribution of income.

## The Meeting

Many business owners and government authorities attended the luncheon. They included, among others, the undersecretary of industrial development, Dr Horacio Tedin; of foreign investment, Dr Federico Dumas; and of agriculture and livestock, Mr Jorge Zorreguieta; and the industrial development technician, Dr Jorge Bustamante. The latter delivered brief remarks at the

gathering, announcing that, on Monday, contacts would be initiated with Argentine business owners by a trade mission from Saudi Arabia, Qatar, Bahrain, the United Arab Emirates and Kuwait. Before Dr Martinez de Hoz' address (in which he responded to concerns expressed in writing by various chambers of the food industry), engineer Eskenazi, who is leaving the presidency of the COPAL after 4 years of administration, spoke.

#### Engineer Eskenazi Speaks

After reiterating the entity's backing for the objectives of the process which began in 1976, and the program that has been adopted, "because it restored harmony between an open society and an economic system based on private enterprise and business owners' risk," the president of COPAL, engineer Enrique Eskenazi, discussed the status of the food industry.

He said that the business owners harbor some doubts resulting from certain contradictions that have been noted between the short and long-term measures of the policy as a whole. Then he confined the problem to two aspects: the level of actual protection and the basic conditions for development of agroindustry.

#### The Level of Tariff Protection

With regard to the level of protection, he said that the sector is experiencing an increased state of actual negative protection, caused by various factors.

He cited, among others, the lag in exchange reflecting a contradiction with the gradual opening of the economy because (he stressed) it entails penalizing exports; added to the fact that the investments are given tariff protection, whereas the end products using them do not have that level of protection. Furthermore (he added), there is alarm over the entry into the market of products under conditions involving really unfair competition; and, therefore, there must be speed in enforcing the anti-dumping law.

#### More Dialog

He said that there should be an increase in the dialog between industry and the government, and called for consideration of particularly extreme situations whereby food sectors could even be destroyed, not for reasons of inefficiency, but for circumstantial reasons which would become a crisis due to the exchange lag. He also mentioned the need to strive toward reducing the size of the government, its functions and its spending.

#### Dr Martinez de Hoz

In opening his remarks, the minister of economy underscored the generous, extensive cooperation offered by COPAL, expressing appreciation for its



attitude regarding dialog. He then discussed the concern voiced by the entity's president over the relationship between the exchange adjustment and the rate of increase in prices.

He declared: "Some explanations are in order on this point, which should not fail to be repeated, just because they are well known. We do not wish to embark on a discussion of whether or not our rate of parity is proper. There are many factors associated with exchange, balance of payments and commercial matters which affect the determination of a parity rate in a certain manner, and not only a comparison with the index on the movement of domestic prices. The two are not the same thing, and they may differ."

He added: "During the past few months Argentina's problem has been that these discrepancies have been rather sizable. In other words, the so-called gaps between the rate of increase in prices and the rate of exchange adjustment have occurred rather significantly, and this has caused concern in many sectors of the economy."

#### There Will Be No Devaluation

He went on to explain: "A group of factors are being affected here which cannot be corrected overnight, with a magic wand. Under the current circumstances, there has been a termination of the solution of large or small devaluation, which made it possible to establish, or quickly change the state of the situation, and somehow everything would turn out better afterwards. We must not forget that the process which we have had in recent years has been one of very rapid increase in our exports, which have more than doubled, from nearly \$3 billion in 1975 to over \$6.4 billion in 1978, and which will exceed \$7 billion in 1979."

Minister Martínez de Hoz then explained that, concurrently, imports which (he said) increased considerably between 1976 and 1977, "unfortunately, owing to the decline in economic activity that occurred in 1978, did not continue to increase, but rather have decreased slightly; and, therefore, they became far removed from the level of exports, which continued to rise."

He claimed that this caused a situation marked by an oversupply of foreign exchange on our exchange market; in other words, as he explained, a supply not matched by an equivalent demand, which has forced our Central Bank to intervene, purchasing the surplus foreign exchange that was not bought by the private sectors, so as to keep the exchange rate at a level which, if this had not been done, would have declined even more, impeding exports to an even greater extent."

#### Free Market

He then gave a reminder that, "One of the basic principles of the economic program announced on 2 April was the elimination of all artificial exchange

rates, that is, the differential exchange rates, and the attainment of a single free exchange market as a genuine reflection of the government and of the currency's purchasing capacity, so that the productive sectors could receive the total value of their products. This is why we eliminated the export duties, with all the monetary sacrifice that this entailed; and, before the end of 1976, we very quickly attained the free exchange market."

He then observed: "It is by no means our intention to set aside that principle; we are only witnessing a situation with a balance of payments marked by a large surplus. That imbalance has had the effect that, since 1978, when issuances of money to finance the deficit in the budget were eliminated, we now find that over 90 percent of the money issued is due to the external sector; in other words, to the causes that I have mentioned."

#### 'Highly Unfeasible'

He subsequently asked the question: "How can this situation be corrected? More than once we have heard those who call for a large or small devaluation. We have refused to do this, because we consider it highly unfeasible. This is by no means applicable to the present situation. If we resorted to the remedy of devaluation now, we would simply be transferring a higher cost to all our prices, and we would only have fueled the inflation in the country at a greater and faster rate."

#### The Transformation of the Economy

The head of the Palace of Finance then declared: "The fundamental goal of the economic program is to achieve a transformation of the economy;" adding: "Transforming the economy means putting all of its productive system in the service of progress and modernization, so that it may produce increasingly better at less cost, and be more competitive on the national level, to benefit the local consumer, and on the international level, to increase the size of our markets." He noted that, in order to transform, modernize and re-equip, investment is necessary; then remarking: "Everyone is aware that, in the midst of a recession, no one invests, but rather waits until the storm has passed."

He then claimed that he did not believe direct monetary restriction and recession to be remedies against inflation in the current state of the economy; and maintained that, on the contrary, they would bring the opposite effects, causing more inflation, as well as recession, and would impede the change that is being attempted.

#### The Continuity of the Program

Next, he appealed for confidence, once and for all, in the continuity of the program that is being carried out, explaining: "I would like to remind you today that this program is not the program of President Videla nor the program of Minister Martínez de Hoz; it is the program approved by the armed

forces; and, as such, its general features will continue to be implemented after March 1981.

"So, you should not continue to think now that the change will take place in March 1981, because you will be mistaken again. And this worries me greatly, because what I want is for the sacrifice and effort that we have made throughout all these years to have an opportunity to bring their results, and to have those results within our reach."

IVA, CAVIC [Wine Manufacturing and Sales Agricultural-Economic Corporation] and GIOL [expansion unknown]

On a different topic, the ministry cited the widening of the IVA tax base, noting that this was an essential measure for improving our percentage of fiscal performance, preventing evasion and simplifying the work of the taxpayer. He also discussed the matter of making companies which belonged to the national government private; and, in response to a question, regarding CAVIC, he said that its private status was being promoted, arguing that it cannot survive in its present condition. With regard to GIOL, he reported that a suggestion had been made to the provincial government on the feasibility of studying its provincial status.

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CSO: 3010

## IMPACT OF TRANSFER OF SERVICES TO PROVINCES EXAMINED

### Poor Provinces Seen Disadvantaged

Buenos Aires CLARIN in Spanish 21 Nov 79 pp 10-11

[Text] Yesterday was a busy work-day: While the provinces were cautiously assessing the impact of the assimilation of services, the experts in the Secretariat of Energy continued making a list of components of the sector which must be completed over the next 30 days.

In only four provinces (Buenos Aires, Mendoza, Cordoba and Santa Fe) the specialized departments have been mobilized behind the government ruling. There is a certain amount of unrest elsewhere in the country. Less than a month and a half before the transfer, there is evidence of a lack of human and financial resources, a shortage of infrastructure and meager professional training.

For example, in the electrical area, the provinces will assimilate the sub-transmission, distribution and small-scale generation. This entails the sale of electricity to the users and the conversion into low and medium tension of the systems of provincial or regional scope. The national companies (Water and Energy, Hidronor [North Patagonia Hydroelectric Company]) will keep the large-scale generation and the high-tension transmission of the interconnected system under their control.

Included in the transfer to the provinces is the "Mar del Plata system" and a section of the "Cordoba Province system;" but the Rio Grande pumping station has been excluded.

In its program of action, the Energy Secretariat is operating in accordance with the size of the generating sources. The energy entity is determining the transfer on the basis of power and the extent of its effect on the unified transmission of loads and on the interconnected national system. It is considering the possibility of devising "regional systems" if two or more provinces are in a position to form reliable companies. It will also propose that, during 1980, the provinces cope with payment for the works projects awaiting execution which are part of the "package" granted by the national government.

In all areas related to natural gas the distribution and sale of the fluid in urban areas will be transferred. The main gas pipelines or liquid gas storage plants will supply it. Before 31 March 1980, the Energy Secretariat will determine the placement, demarcation and scope of the systems that are to be turned over to the provinces.

As for the irrigation sector, all the services being provided in this area by the Water and Energy entity will be transferred to the interior.

Similarly, the national government will disengage itself from all the activities associated with the drinking water supply, and the sewerage and drainage systems.

Finally, the methods of operation and the shared use of the railroad facilities of the metropolitan passenger system (of an urban and suburban type in the federal capital and in Greater Buenos Aires) due to be turned over in the same way by the central administration, will be determined by the Secretariat of Transportation and Public Works before the end of March 1980.

The transfers will be made free of charge, and will include: 1. control of any other real right to which the national agencies are entitled with regard to real estate and appurtenances; 2. the location contracts in effect at the time of the signing of the transfer agreements; and, 3. the location contracts for projects which are being executed.

The personnel assigned to the services included in the government rulings will be incorporated into the pertinent provincial administration. Assurance is given that seniority in the entity with which the individual was affiliated will be acknowledged for him.

In the transfer contracts to be signed, the provinces will have to make a formal commitment to see to it that the services which are transferred can be run by a business organization. The latter must attempt to evoke interest in the participation of private capital.

Concurrently, the provinces must assume the commitment to the effect that the rates which are stipulated have to be "sufficient" to cover, "as a minimum," all the operating costs. In this same regard, they will include adequate maintenance of the equipment and the depreciation which would technically apply to the revalued capital assets.

In this respect, it should be added that the Secretariat of Economy can change any rate schedule that is found to be "too low." The Palace of Finance is authorized to raise the prices "if and when the increases can be absorbed by the users without serious detriment to their activity and standard of living."



Apart from the legal framework and the minute details, one might ask about the "timing" used by the economic officials to speed up the division of public services. The turnover is not based on an organized plan to arrange for the provision of state resources, or a preliminary step to increase the lagging energy infrastructure. This is a mobilization the only visible goal of which is the financial relief of a sizable portion of the government structure. At the moment, there is still one unanswered question: What will the "poor" provinces without resources of their own do in the face of this challenging, precipitous commitment?

#### Problems in Sanitation Services

Buenos Aires CLARIN in Spanish 21 Nov 79 p 12

[Text] There is every indication that the predominant feature of the strategy that will be devised for the public sector next year will be focused on the decentralization of companies and entities in the national realm, transferring them to provincial and/or municipal jurisdictions.

Without questioning the theoretical validity of this decision which, in principle, returns to the federal states economic sectors for which they were originally responsible, it befits us to analyze its economic and financial repercussions; in other words, to determine whether what the state plans to transfer and what has been paid for by the community as a whole is in an adequate state of operation and earning power.

If this is not the case, the provinces will be forced to withstand new outlays stemming from the rendering of services marked by a deficit and the purchase thereof; a situation compounded by the support of the majority of services of a social nature (schools, hospitals, etc.), the transfer of which has been made by the nation during the past 3 years.

To date, all the national companies which were considered for a transfer of jurisdiction, either partially or completely, have as a common trait the fact that they have a serious deficit.

With the Buenos Aires Underground company transferred to the metropolitan municipality, an analysis is now being made of the transfer (during 1980) of certain areas of the Water and Electric Power entity, certain railroad services and those provided by the Sanitation Works entity to the provinces or municipalities.

#### The Situation in OSN [Sanitation Works of the Nation]

Sanitation Works which, until a few years ago, was a decentralized agency associated with the national budget, is experiencing a situation which will prove very difficult to correct, both because of the relative backwardness in the quality and quantity of the services that it renders and its economic and financial status.

In fact, the specific area in which it operates is one of those with the greatest shortcomings, even in the case of minimal and essential services. So much so that, in 1978, nearly 12 million people were without a supply of running water, and over 19 million lacked sewerage; which represents neglect of 45.8 and 73 percent, respectively, of a total population estimated at slightly over 26 million inhabitants.

Recognizing the considerable lag in projects for environmental sanitation in Argentina, the recommendations of the United Nations Conference on Water, held in March of this year at Mar del Plata, called for (at the proposal of the local delegation) the implementation of a plan of projects to be executed between 1978 and 1990, which would invest \$6.787 billion both in the execution of new facilities and the replacement and updating of those in existence.

The report submitted by the Argentine Government indicated that, as a result of this investment, it would be possible to supply household drinking water service to 80 percent of all the urban and concentrated rural population; as well as sewerage services and their respective treatment plants for 65 percent of the total urban population in the country. All of this would apply to a population estimated at 30.2 million by 1990.

However, and despite such technical studies, the Sanitation Works of the Nation company will end fiscal year 1979 with an investment which, in real terms, is about equal to that of a decade ago, and which will be 28 percent less than the average made between fiscal years 1975 and 1978.

This was a direct result of the decline in rates which has assumed unusual features in that company, not only when compared with what has occurred historically, but also in contrast to the overall level in other public companies.

In fact, although the situation that the state companies have experienced with regard to the decline in their real income is well known, last August the Sanitation Works company had a real purchasing power for its funds that was less than half the amount 19 years ago; because its rates amounted to an index of 42 with a 1960 base equivalent to 100.

For that same month, the overall average rate of the companies (with the same base) amounted to 87.3 percent; and, although losses were recorded in some instances, the disparity is obvious.

Other statistics prepared by the General Trusteeship of Public Enterprises (which back the claim made previously) disclose that the level of activity of the Sanitation Works company has been at a virtual standstill over the past few years, in view of the fact that its increment was only 1.6 percent for the period from 1975 to 1978.

## Cost Burden to Provinces

Buenos Aires CLARIN in Spanish 21 Nov 79 pp 11-12

[Text] The night before last, the minister of economy himself confirmed the group of services to be transferred to the provinces in 1980.

It was learned yesterday from unofficial sources that the so-called decentralization, including the potential resumption of the grading program, will increase the expenses of the recipient provinces by about \$970 million. The counterbalancing item for these major outlays will result from the collection of the taxes which are due to arrive next year through the public enterprises transferred to the provincial treasuries; but they would only serve to cover 16 percent of the increased expenditures.

In virtually all instances, the common denominator is that the services to be transferred have serious deficits at present. On page 12, an analysis was made of the status of Sanitation Works of the Nation, a company which will disappear in its present form starting in 1980, and be divided among the provincial administrations. More than most others, it has been hurt by the lag in its rate income.

The reaction to this situation from the provincial governments was not long in coming: For example, it is known that Mendoza (one of the states considered to be wealthy) has already announced that the transfers will force it to curb its own investments.

Moreover, beginning on 1 January (through contributions to the treasury), the provinces will be required to finance the services that are to be transferred to them.

According to reports, then the services will be transferred, and hence the provinces will have to absorb the personnel, with the obstacle that the latter earn salaries that are higher than those prevailing in them.

Furthermore, in the services to be transferred, up until now the unified operation made it possible for the losses generated in a province to be offset with funds from another jurisdiction. A very small percentage of these losses stem from the existence of low zonal rates in comparison with the average for the country, because, in most instances, they are a result of supplying a small market, which does not allow for operating with an optimal production volume; and, in others, they occur because the necessary investments for keeping the available infrastructure in good condition were not made earlier.

Thus, in the opinion of technicians in the companies involved, as the provincialization occurs, and the services are divided, the splitting of funds will impede the future implementation of major projects that require a large concentration of capital, such as waterworks and hydroelectric powerplants.

(1) **COSTO DE LA TRANSFERENCIA  
DE SERVICIOS A LAS PROVINCIAS  
EN 1980** (MILLONES DE U.S.)

(2) **COSTO DE LA PROVINCIALIZACION**



The transfer of services to the provinces also entails the turnover of costs amounting to \$970 million, as compared with funds involved in the measure which total \$159 million.

Key:

1. Cost of the transfer of services to the provinces in 1980 (in millions of U.S.\$)
2. Cost of provincialization
3. Financing requirements
4. New provincial funds from taxes that the public enterprises will pay

2909

CSO: 3010

PROVINCES' AID TO STATE FOUND UNCONSTITUTIONAL

Buenos Aires LA NACION in Spanish 28 Nov 79 p 17

[Text] Mendoza--The findings have been released in the decision concerning the "unconstitutionality of the contributions demanded of the provinces by the federal government" made by Commission No 1 of the Mendoza Institute of Public Law. The latter entity organized a public debate to take up this issue during the course of one of its regular sessions.

It states, among other views, that, "In the system for redistribution of provincial tax funds, they return to the provinces funds which have been cut by 51.5 percent; because 48.5 percent is allocated to the nation, and 3 percent to the National Development Fund. The provinces have been required to turn over to the nation the regulation of credit and national development, and control of interprovincial commerce, transportation, telegraph, telephone, radio and television. All of this has been in accordance with an unjustifiably broad and extensive interpretation of Section 12, Article 67 of the National Constitution; which has unfortunately been shared by the decisions of the Supreme Court of the Nation."

It maintains that the provincial government "has committed a violation of its constitutional obligations, inasmuch as it has turned over its tax authority, which has irrevocable and nontransferrable features."

It declares: "The collection of a contribution without a law authorizing it violates the guarantee of ownership in Article 17 of the Constitution;" giving a reminder that such powers based on the statute for the National Reorganization Process have been attributed to the president of the nation, with the intervention of the CAL [Legislative Advisory Commission].

It states: "Up until now, the only written document recording the demand made by the nation on the governors of provinces is a note signed by the Ministry of Interior."

It then cites various legal evidence on which the unconstitutionality of such contributions from a provincial standpoint is based, and suggests corrective measures aimed at mitigating the potential consequences suffered by Mendoza.

The decision was made at the Institute of Public Law by Drs Santiago Teruel, Guillermo Belgrano Rawson, Alberto R. Day and Alberto Seru Garcia.



## ARGENTINA

### PRESS COMMENTS ON CUTA, NEW LABOR LAW

#### CUTA Internal Strife Reported

Buenos Aires LA PRENSA in Spanish 13 Nov 79 p 10

[Editorial: "Unsound Arguments"]

[Text] Inasmuch as the new professional associations law might not authorize the establishment of third degree trade unions, such as the General Labor Confederation (CGT), which is currently under intervention, the so-called Unified Leadership of Argentine Workers (CUTA) has ordered its representatives not to attend the AFL-CIO's meeting that began in Washington yesterday, as well as the CIOSL [International Confederation of Free Union Organizations] gathering that will open on the 15th of this month in Madrid. In stating its grounds for the move, CUTA argues that the new legislation will tend to "atomize" unions and to "weaken the structures of organized labor," adding: "Our absence at the international forums will alert the world to the seriousness of this development."

The unusual decision by CUTA leaders to stay away from these meetings will probably be interpreted overseas as calling attention to the alleged plan of persecution ascribed to the government, but what they will not realize is that the decision "not to attend" was made for different reasons, which CUTA does not mention in its arguments. We are referring to the serious differences that have arisen within it and that have not only prevented it from agreeing on which delegates to appoint but are also jeopardizing the survival of the union, which was suggestively established to replace the intervened labor organization.

We have been reporting for several weeks now on the nature and seriousness of the disagreements among CUTA factions, but it would be well to recall that in terms of relations with the CIOSL, they have had explosive manifestations. The current permanent delegate to the CIOSL, a former member of the Peronist Labor Movement, has completed his term and must be reconfirmed or replaced. His

reconfirmation has been openly challenged by an influential opposition group within CUTA that has allegedly proposed a leader with the same political affiliation but who does not get along with the people who represent the other line. It is, in short, an in-house battle stemming from the struggles for predominance that had manifested themselves long before the "unifying" labor organization was formed. So far, a decision has not been made as to who the labor representative to the CIOSL will be, nor do we know whether agreement has been reached on the appointment of delegates to attend the Washington meeting. Hence, the reasons cited by CUTA to justify its "nonattendance" at the aforementioned gatherings are far from convincing.

In any case, the union's decision reveals hostile intentions towards the country and the workers themselves by facilitating an international campaign of discredit that is not in keeping with the real facts. In decades past, labor leaders would have been tried, detained and even prevented from returning to their work places for much less.

#### New Law Called Promising

Buenos Aires LA NACION in Spanish 17 Nov 79 p 9

[Editorial: "A Different Structure for the Labor Movement"]

[Text] The new Professional Associations Law can, it is true, be viewed from different angles, but the challenge that CUTA has leveled at the law indicates that all of its perspectives are subordinate to political evaluations. We need only point to what it says about social benefits to demonstrate this. Union leaders have reacted harshly (which would be understandable if social benefits were to disappear) for the simple reason that this plentiful source of economic resources will remain outside the exclusive control of the people who have owned the union machine up to now.

The new law unquestionably deserves a more thorough-going analysis than can be made a few short hours after its passage. There are a number of details that must be carefully studied before voicing a complete legal opinion. While this time-consuming analysis is being carried forward, the new series of provisions ought to be evaluated in very broad terms and, of course, as we have just noted, in light of Argentine political experience.

The regulations that have been adopted in this area since 1945 have always conformed to the needs of a political personality cult rather than to a philosophy of government management. Thirty-five

years ago Peron, ensconced in the so-called Secretariat of Labor and Social Security, gave union organizations the structure that was best suited to the undertaking in which he was then engaged: to achieve the presidency of the republic by means of a shortcut that would obviate the formation of a traditional political party. He did not have the time to take this route and therefore set up a pyramid system at whose top he placed the supporters whom he had recruited by granting them official advisory posts. The shape of the Argentine labor movement was defined by that structure, which was made to measure for the electoral needs of a political boss. Thus, it produced a corps of secondary bosses engaged in a highly profitable exercise of power.

Under the system of government set up by Peron, the paternalism and authoritarianism of the man who controlled all of the strings of power could subsist only to the extent that the links with the labor hierarchs were profitable for both parties. For example, union members were able to take part in a Congress of Productivity that aimed at halting the extremes of labor unrestraint encouraged by that same official demagoguery, but at the same time they reinforced the walls of the edifice from which the members were in a position to march only in step with the gangs of their leaders.

In 1958, the electoral pact whereby Dr Frondizi achieved the presidency resulted in a labor organization law that helped Peron become a factor of paramount influence in government decision-making. If the Liberating Revolution was a missed opportunity to channel the labor movement in a sound direction, then Frondizi's payoff of Peron eventually consolidated a structure of which our democracy could expect very little that was positive. Subsequent political developments demonstrated this. There was a radical government harassed by the "plan of struggle" of the Peronist labor movement, and neither Dr Illia, nor General Ongania (whose inauguration was attended by union leaders in the required jacket and tie as a symbol of support), nor Generals Levingston and Lanusse challenged this segment, which was decisive in warping our political life.

The major union bosses, who had continued their customary trips to Spain to receive orders from Peron, were primary figures in Campora's victory and in bringing about Peron's third presidency.

During the time that Peron's widow served as chief executive, the Peronist labor movement was the victim of its own internal ambiguities. In general, its most widely-known leaders were part of the government. As such, they played a decisive role in confrontations with a number of ministers, especially Mr Rodrigo, and wound up in a deadend street, impelled both by their negative solidarity with the president and by the presence of subversive

terrorists who were prepared to exploit for publicity purposes the political complicities of a union bureaucracy that was unable to come up with new alternatives.

After the military uprising of 1976, it seemed almost superfluous that initial documents expressed a determination to create a form of labor organization different from the one that had served Peron's designs. Peron was dead, and even the hierarchs of the Peronist labor movement themselves realized that it was necessary to lay the groundwork of a different structure to represent the labor sector. The old machine had broken down because of the corruption that subordination to partisan political interests always causes. If the members of that machine had regarded themselves as part of a political column erected around one man, then they ought not to have been surprised that the historical changes that took place upon the death of that man would strike at the framework of an out-of-date edifice.

At the moment, the Professional Associations Law is nothing more than the dividing line between two eras. We know what the previous one was like, the one that placed us in a political morass filled with pitfalls and concessions to leaders who had become masters of high-handedness, but we do not know how the new one will work in inaugurating a more fruitful period. Subsequent regulations and the unimpeded enforcement of the new provisions will show us its virtues and shortcomings. Nevertheless, we must not fail to point out that it offers promising possibilities by setting the requirement of democratic elections in the appointment of future leaders, with the participation of all and at work places themselves. Indeed, what the labor movement has been without since 1945 has been the invigorating vitality of the most straight-forward practices of active democracy.

#### Reaction of Business Reported

Buenos Aires LA NACION in Spanish 18 Nov 79 p 2 sec 3

#### [Excerpts] A Very Important Step

The new labor union code has been favorably received by most businessmen and business organizations. Brief talks with these circles reveal, however, that it is too early to ask them for a final judgment in this regard. They have not had enough time to examine with the proper thoroughness (the most frequent replies go) a text which in addition to being remarkably long, broaches undeniably complex issues.

In any case, business circles are of the almost unanimous conviction that in its basic facets the new law represents a major step forward with respect to current legislation.

One observation that is made rather often with regard to the law is that it leaves a great deal up to future regulations, and it is this, people are saying, that makes it hard to voice an opinion right now, except in connection with the broad outlines of the system. Among those making the point that there is a great deal to be regulated, there are some who concede that for a system of this sort to be stable, it must be sufficiently flexible. In contrast, others feel that flexibility is a root of insecurity in connection with the workings of union organizations.

Assessments of the side effects of the new code are not unanimous either. Many replied that this should have been done 3 years ago. There are those who think that a revolutionary government ought to make really revolutionary decisions, and lastly a good many feel that the law will be a source of union irritation, a view that they think has been borne out by the initial public manifestations of the unified union leadership.

A number of business circles expressed some concern over the prospect that the process of reorganizing and regulating union life could, in a relatively short period of time, result in new labor union contracts before other economic and social policy objectives have been fulfilled and especially before we have achieved an acceptable degree of monetary stability and gains in overall economic productivity.

Businessmen also felt that there was no contradiction between the nonexistence of a third degree union organization (which the law expressly prohibits) and the existence of a third degree employers' union organization, such as the Argentine Industrial Union (UIS). The CGT, or some similar group such as the General Economic Confederation, comprised all of the sectors of the economy, both primary production, industry, trade and services, whereas the UIA is specifically industrial.

Lastly, business organizations often voice the concern that the ban on electing new authorities has had an effect opposite to what the union law has quite properly sought, inasmuch as it would be a good idea to limit mandates and promote an appropriate change of leadership personnel. Nevertheless, they are expecting this ban to be revoked very shortly, and thus employer groups will be able to elect new authorities at their next assemblies.



Now, as a necessary complement to the new union standards, the system for social benefits remains to be taken care of. As we know, a month ago major business sectors published a document expressing the need to organize the social benefits system on the principle of the state's subsidiary role. The first part of the proposal, which calls for removal of social benefit funds from union management, would seem to be satisfactorily reflected in the law. It remains to structure these benefits in accordance with private enterprise approaches.

#### More Unions in CUTA

Buenos Aires LA NACION in Spanish 21 Nov 79 p 18

[Text] The Unified Leadership of Argentine Workers intends to bring in labor organizations that are not alined with it, for the purpose of "guaranteeing the effectiveness of the measures that will have to be adopted to oppose the new union law," union spokesmen said.

The steps that CUTA will allegedly take in this direction will be considered during tomorrow's meeting of the Board of Directors, though it was learned that the idea would be to interest "individually" those organizations known as "the group of 20."

The efforts would be made individually, it was explained, because CUTA does not recognize any labor grouping.

They also clarified that the possible incorporation of new unions does not mean that a revamping of CUTA leadership personnel is going on, but new members will be given a voice in formulating the strategy to be pursued.

#### Committees

Meanwhile, CUTA's drafting and international relations committees will be deliberating today. The former is in charge of preparing a document in which the group will not only voice an opinion on labor movement-related matters but will also take stands on issues involving national problems in connection with domestic, foreign and economic policy. The international relations committee will be analyzing the initial repercussions of the new union law on the ILO, CIO and the AFL-CIO.



## Group Supports New Law

Buenos Aires LA PRENSA in Spanish 18 Nov 79 p 9

[Text] The Argentine Democratic Moral Affirmation Movement has described as "praiseworthy" the passage of the new labor union law, judging that it was indispensable "to issue a law in keeping with the basic principles of our wise National Constitution."

Nonetheless, it suggests the lifting of "the obligation imposed on the employer sector as the withholder of the contributions that workers decide to give to unions," arguing that "under a system of freedom, as in any private or political institution, each person must himself take on the obligation of providing his direct and voluntary contributions."

In a declaration signed by Antonio A. Ortiz and Antonio F. Isabella, the secretary and president, respectively, the movement said that with regard to the social benefits to be regulated, in a system of freedom contributions should not be compulsory either, and less so to a specific institution, whether private or state-run."

It pointed out in this regard that "for many years now there have been private institutions that really have performed and are performing a humane social function for the benefit of their members and that have been practically shackled in recent years by demagogical political laws."

It emphasized that the government ought to devote itself "to examining the measures that must be taken to curb the inflation that we are suffering from, so that as before, within a system of loyal and humane economic competition and professional competence, each person has the opportunity to go to the doctor, institution, sanatorium, hospital or hotel of his choice."

It concluded by stating that "in a democratic, liberal, social and humanist system it is not the state's function to directly intervene in areas that the private sector ought to take care of, either individually or collectively; rather, it is the state's function to exercise the appropriate controls and establish the proper demands through the appropriate agencies."

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## ARGENTINA

### UPDATE REPORT ON HYDROELECTRIC PROJECTS

#### Turbine Offers for Alicura

Buenos Aires LA PRENSA in Spanish 2 Nov 79 pp 1, 6

[Text] A total of 19 domestic and foreign firms have offered their bids for the supply, assembly and putting into service of 4 turbo-generator units for the Alicura hydroelectric plant.

The ceremony of opening the bidding took place in the building owned by Hidronor at 1074 Leandro N. Alem Avenue, and was attended by its president, Mario Luis Pineiro; the head of the executive committee, Carlos Mario Surda; directors of the company and a large number of interested persons.

During the event, the above mentioned executive spoke first, emphasizing the importance of the project, and noting the interest it has awakened in foreign and domestic companies, confirming the confidence Argentina commands in these types of projects in various parts of the world.

According to their statements, the company already enjoys the prestige derived from the Chacon-Cerros Colorados complex, as well as from the punctuality it has shown from the beginning in fulfilling its obligations.

In that regard, they declared that the time frame of Alicura is developing as expected, and it is estimated that it will be put into service in September 1984.

#### The Bids

Nineteen companies entered the bidding, and presented their offers for supply of the turbines and generators.

For the former, the figures range between 32,463,500,000 pesos and 55,598,477,000 pesos; while for the generators they vary between 24,838,085,000 and 45,787,728,000 pesos.

It should be pointed out that, after the respective envelopes have been tendered, technical and economic studies will begin, with the awarding expected in February 1980.

## The Plant

During the course of the meeting we discussed various aspects of the project with Eng Abraham Schuartz, chief of the engineering section of Hidronor.

Explaining to us the importance of the project, he stated that the hydraulic turbogenerator units required by the plant are the largest to be installed in the country. He pointed out to us that, while the installed capacity in each generator in the Chocon complex amounted to 200,000 kilowatts, and in Planicie Banderita to 225,000; those figures in Alicura will total 257,000 kilowatts per unit.

This last figure means total installed power of 1.082 million kilowatts, with an average annual power output of 2.36 billion kilowatt hours, so that the energy production of this plant equals 11 percent of that produced by the National Interconnected System in 1978.

## The Project

The project is located on the Limay River, 110 Km from San Carlos de Bariloche.

Construction was begun at the end of September by the Alicopa construction company, made up of Impreglio, Sollazo Hnos., IMPRESIT, Sideco, Supercemento and Sade.

As for the financing, the civil works use their own funds and a loan granted by the IDB in the amount of \$155 million.

For the technological system, they used "purchase loans" financing. This method means that the companies which receive the award must do the financing of the equipment they produce in the country of origin, whether on the private level, with the endorsement of the respective government, or from State institutions.

## Other Features

The earthen dam will have a maximum height of 135 meters over the deepest foundation, and a volume of 13 million cubic meters.

The capacity of the reservoir will total 3.215 million cubic meters of water, which besides supplying the plant's turbines, will allow the securing of such advantages as the lessening of floods in the river, improvement of conditions in El Chocon, as well as the development of fishing, sports and tourism.

Transmission to the National Interconnected System will be through the existing 5,000,000 volt lines, and new connections with an estimated length of 1,865 km.

## Other Bids

Among other bidding which will be opened for the awarding of hydroelectric plants, it has become known in the Hidronor S.A. company that in the middle of this month the specifications of conditions for the executive project of Piedra de Aguila will be distributed.

In this regard, it was explained that in the first half of next year bidding will be opened for carrying out of pre-feasibility projects on the Cullun Cura plant and executive projects of the Picun Leufu and Michi Huao enterprises.

It should be pointed out that Piedra de Aguila and Cullun Cura, together with Alicura, make up the Alicopa hydroelectric complex for exploitation of the Limay River in the province of Neuquen.

For their part, the Picun Leufu and Michi Huao plants, with installed power of a million kilowatts, will be constructed upstream from Alicua, in so-called Limay Medio.

## New Dam Inauguration

Buenos Aires LA NACION in Spanish 9 Nov 79 p 19

[Text] Cordoba--Today the Piedras Moras compensatory reservoir dam, built on the Rio Tercero in this province, will be officially inaugurated.

It is an especially important undertaking, because it will allow the rational use of the projects already constructed on the Rio Tercero. In its regulatory capacity it will allow appropriate management of water resources, preventing the destructive action of floods; and by assuring this will provide irrigation for a vast area of 40,000 hectares, and will facilitate the supply of potable water to locations near the city of Rio Tercero, and also to more distant towns like San Francisco, Justiniano Posse, Laboulaye, Morteros, La Francia or Marcos Juarez; in the latter cases by means of aqueducts. In the same way, it will make it possible to satisfy the needs of industrial water usage, and in another aspect will give rise to a new tourist attraction.

## The Project

First work was begun in the middle of 1972, and it was finished recently.

The dam consists of an embankment 57 meters high, with a watertight core based in rock. The top is 530 meters long, including 69 meters of slope or flood outlet.

This, to be exact, is a frontal slope with 4 gaps, with retention floodgates 8 meters high. The usable volume of the reservoir will be 81 cubic hectometers, with the water covering 832 hectares.

The total regulated catchment area of the Rio Tercero comprises some 4000 square kilometers, which shows the importance of its influence. The water-course's system is essentially pluvial, with inflow of 80 per cent of the total annual precipitation in spring and fall.

#### The Inauguration

The ceremony inaugurating the dam will take place today, at 1100 hours, with the governor of the province, Gen Adolfo Sigwald, the president of the board of directors of Water and Electric Energy, Anibal Blanco, and other authorities in attendance.

Blanco and the minister of economy of the province, Horacio Alvarez Rivero, will speak during the ceremony. Later the project will be blessed, and finally a plaque recording the event will be unveiled.

#### Ullum Nears Completion

Buenos Aires LA NACION in Spanish 1 Nov 79 p 19

[Text] San Juan--The Ullum reservoir dam project is 95 percent completed, while the money invested to date amounts to \$73 million.

This information was supplied by the minister of economy, Daniel Coria Jofre, on the occasion of the celebration of Water Week.

He pointed out that the effort was completed in a period of 4 years, during which time the watertight core and the dam wall have been almost totally constructed. It is anticipated that the remaining 14 meters of the wall will be finished at the end of this year.

As for the rehabilitation project, agricultural development and colonization, which are being financed by the nation and the Interamerican Development Bank, 24 km of canals by the administrative system and 80 by contract--for cultivation of 36,000 hectares of crops--have been constructed to date. Also, 182 km of watertight canals are being made in various stages. They will aid the irrigation of more than 30,000 hectares of crops. In coming months, the construction of another 115 km will be started, which are already bid on or in the bidding process. Some 29 wells remain to be bid on in order to complete a program of 84 in all, which, working in conjunction with existing units in different places in the Tulum Valley, will provide a flow of 23 cubic meters per second. This will allow completion of the registered irrigation rights, and the supply of water to the new agricultural settlements which will be set up in the northern area of 25 de Mayo.

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CSO: 3010

## BRAZIL

### MAKE-UP OF ARMED FORCES DESCRIBED

Mexico City EL GALLO ILUSTRADO DE EL DIA in Spanish 18 Nov 79 pp 12-13

[Article by Claudia Sanchez: "X-Ray of Brazilian Militarism"]

[Text] Except for Cuba, Brazil today has Latin America's most modern and most powerful armed forces with about 257,000 men, 65 percent of whom are concentrated in the various army corps, plus 500,000 reservists. The paramilitary public security forces consist of 200,000 men which gives us a total potential of 957,000 military personnel.

The Brazilian armed forces began to develop at the end of the 19th century not only in order to provide more protection for the country as an independent state but also because of the continental situation at a time when, following the rise of the new nations in the wake of the wars against colonialism, problems of frontier demarcation and of the defense of previously determined boundaries came up. These border problems, especially with Argentina, Paraguay, and Uruguay, involved Brazil in three wars that constitute one of the most important factors responsible for the rise of military power and its transformation into the only organized force capable of later on confronting the very power of the bourgeois democratic state.

Overall, there were five wars which Brazil had to fight during its history as an independent nation. The first one came in 1822 against Argentina when the Cisplatina province, in the country's far south, wanted to become independent and asked for assistance from the Buenos Aires government. From that war--and through the arbitration of Great Britain--sprang the Republic of Uruguay. The second war likewise was fought against Argentina in 1865 when Uruguay, threatened with being annexed to Argentine territory, asked the governments of Paraguay and Brazil for assistance. The third conflict took place between 1865 and 1870 against Paraguay. At that time, Brazil was allied with Argentina and Uruguay against the dictator Solano Lopez who was trying to extend Paraguayan territory along the River Plate all the way to the Atlantic shore.



During World War I (1914-1918), Brazil was also forced to participate in the conflict when a state of war was declared against Germany. But its participation did not go beyond sending a few warships to patrol the African coast. During the first years of World War II, the administration of Getulio Vargas displayed much sympathy toward the Axis Powers but, seeing that the collapse of fascism was very near and in view of pressure from the allied countries, Brazil declared war on Germany in 1944. Its participation in World War II caused it to cede several naval bases to the Allies on the northeastern coast and on the island of Fernando de Noronha. On the other hand, Brazil had to send 20,000 men to Italy who, under the overall command of the United States Armed Forces, were employed as cannon fodder in the bloody battle of Monte Cassino.

The Brazilian military began to gain importance in the country's political life since it directly participated in the downfall of the empire and the proclamation of the republic. Ever since then the armed forces have become a constant factor in national politics and today they constitute a real state within a state, to such an extent that they subject the entire country to their power and control. Their manpower and war-making potential, previously aimed at safeguarding territorial integrity and republican institutions with a definitely defensive character, now is utilized as a counter-revolutionary and antiinsurrectional force.

This transformation--a consequence of a policy of dependence carried to extremes by the strategists of the War College, known as the "Sourbonne"--developed rapidly after the 1964 coup d'etat, with the direct participation of the United States which, through a series of military aid agreements, gave consistent and specialized assistance to the Brazilian armed forces. Since then, as a matter of fact, more than 5,000 Brazilian officers have gone through schools in the United States or through those which the Pentagon maintains in Panama or in other parts of the world. Thousands of United States officers have gone to Brazil to advise their Brazilian colleagues, to indoctrinate them, and to prepare them psychologically.

After having come to power, the Brazilian military leaders turned the armed forces into a strategic militia which operates under the direct orders of the president of the republic. The number of military personnel was doubled in less than one year, leading to a considerable increase in the military repressive force. In the State of Sao Paulo, for example, the number of personnel was increased to 50,000, consuming 10 percent of the state budget. Adding the troops of all states throughout the country we get a rough total of 257,000 men, to which we must add the 200,000 members of the paramilitary public security forces so that we get a figure three times higher than the number of Brazilian university students.

Brazil's military and police forces were trained exclusively for domestic repression, that is to say, for urban and rural counterinsurgency action. Military units were reorganized and equipped for a more effective struggle against strikes, street demonstrations, or any other mass demonstration

especially in the major urban centers. This was done through training and reorganization handled via the Pentagon, the CIA, and the FBI who got busy brainwashing the troops through heavy doses of propaganda on the "American way of life" plus psychological treatment through which they inculcated fear and hatred of communism or anything resembling it.

Thus, while the entire strategy of the Brazilian armed forces revolves around a possible counterrevolutionary war, the paramilitary and police forces specialize in methods of mass repression, reducing domestic tension.

After the reorganization of the Brazilian armed forces, at the head of the military power that runs and controls all activities throughout the country, we were left with the National Security Council, a supreme body whose mission it is to advise the president of the republic on the drafting and execution of national security policy. This policy is based on an overall national strategic concept. On the other hand, the National Security Council must also evaluate the problems that come up in the domestic and international context.

Next in importance is the Military Office which directly or indirectly assists the president in the discharge of his duties and especially on matters relating to national security and military administration. It also assures the personal security of the president and all presidential residences.

The SNI (National Intelligence Service) is perhaps, if not the most important, then certainly the most powerful agency within the Brazilian military government structure. Its mission as a matter of fact is to direct and coordinate, throughout the country, all intelligence activities, especially those relating directly or indirectly to national security, which enables its director to have a broad vision and to check all activities being carried on in Brazil.

The Armed Forces General Staff has the mission of drafting studies for military policy, strategy, and doctrine guidance; it must also draw up the pertinent plans and programs. It also has the job of developing and coordinating plans for the employment of combined forces in military operations outside the country; coordinating military intelligence; proposing priority criteria for defense financing; drafting and coordinating plans for research, reinforcement, and mobilization of the armed forces; directing and supervising military missions abroad, etc.

While the Armed Forces High Command advises the president on decisions relating to military policy and the coordination of questions pertaining to the armed forces, the War College gives specialized courses for high-ranking officers and civilians who occupy important policy-making positions.

The Inspectorate General of State Militias is the agency charged with coordinating and supervising the military forces distributed throughout the states of the country. The General Police and Military Investigations Commission have the job of detecting subversive activities on national territory.

The Brazilian army is made up of some 170,000 men, stationed mostly in regions of major strategic importance, that is to say, areas of major urban and industrial concentration throughout the land. In addition to its enormous bureaucratic machinery, it has numerous resources which give it a certain degree of independence, huge cattle ranches, arms factories, mines and basic industrial plants, plus a large number of officers who hold executive jobs in the most important strategic industries.

In general terms, the armament of the Brazilian army is about 30 years behind the times when compared to the big powers. However, it is more than sufficient to counter foreign aggression coming from any Latin American country and to crush any attempt at domestic subversion. This armament has been modernized in recent years and it must be emphasized that this transformation was accomplished thanks to advances in the nation's war industry which already has the infrastructure necessary for producing basic equipment for conventional warfare (aircraft, 7.62-mm rifles, machine guns, cannons, ammunition, tanks, radios, etc.).

The armament of the Brazilian army consists basically of 150 M-4 light tanks, 450 M-3A-1 and M-41 tanks, 120 EE-9 "Cascavel" [Rattlesnake] armored vehicles, 1,400 75, 102 and 105-mm howitzers, 180-R and 114-mm rocket launchers, 106-mm recoilless rifles; 90-mm AA guns, Hawk missiles; "Regente" reconnaissance aircraft, and attack helicopters.

The Navy does not have any great offensive potential and is not even able to defend the country's 8,000 kilometers of coastline. But its presence in the South Atlantic has a psychological effect which is utilized by the United States Navy to increase its power and influence in the regions. Navy personnel number 50,000, of whom 15,000 are in the Marine Infantry Corps and in Naval Aviation.

The bulk of its armament is made up of ten submarines of the "Oberon" and "Guppy" type; one aircraft carrier; one cruiser with helicopter; 14 destroyers; ten rescue vessels, five coastal patrol boats; one monitor; six gunboats; six minesweepers; two transport vessels; one training vessel, one hospital ship, one hydrographic vessel, one ASW air squadron, one air training squadron, and one air transport squadron.

Although Brazilian naval shipyards are already in a position to build various types of vessels, they still do not have the capacity necessary for adequately equipping them for naval warfare.

The FAB (Brazilian Air Force) consists of 41,400 men; it has around 1,000 aircraft, of which 770 are transport aircraft and 220 are combat aircraft and trainers. The FAB constitutes an important means of communication and for many regions in the country's interior it represents the only means of contact with the big urban centers along the coast. However its primary mission involves the antisubversive struggle for which it has been equipped with efficient small aircraft produced in Brazil and abroad.

The FAB consists of one interceptor squadron made up of Mirage II I EBR and DRB aircraft; two fighter squadrons with F5 B/E aircraft; seven counterinsurgency squadrons; one reconnaissance squadron; one search and rescue squadron; seven transport squadrons; 105 helicopters of the Bell-47, Bell 206-A, UH-1, and OH-4 types; numerous trainers and Boeing 707 and 737 transport aircraft.

Over the past 15 years during which they held power, the Brazilian military leaders constantly repeated that the armed forces are the only depositories of patriotism in the country and that their government programs has a definitely nationalist content. However, reality has demonstrated that the armed forces merely were an instrument of imperialism on which their survival depends--in spite of the "disagreements" which recently sprang up in connection with respect for human rights and the Brazilian nuclear program.

When the military change of power, the plans through which the country was supposed to be restored economically were replaced by the monetarist concept imposed by the IMF; the reformism which characterized the term of office of Joao Goulart was replaced with theses such as "less bread and more guns"; development planning yielded to defense planning. Starting in 1968, the policy imposed by the armed forces was drawn up in accordance with the provisions of the Strategic Development Plan according to which all of the country's sectors (political, economic, social, and military) are subjected to the concept of "national security." The fundamental objective of that plan is to eliminate or reduce foreign intensive pressures which threaten or seek to threaten national security. Two types of measures have been provided for that: Some of them are intended directly to combat such pressures; others are designed to combat them indirectly by strengthening the national defense capability. These pressures obviously are considered to be coming from international communism or national groups whose interests were affected by the military coming to power.

In the matter of foreign policy, the strategists of the Brazilian armed forces consider valid only the thesis of "multiple sovereign states," that is to say, they believe that the world is divided by the two super-powers, "two real imperial states," which today dominate the international panorama due to the abundance and diversification of their resources which permit them to achieve almost total economic self-sufficiency. According to the Brazilian military leaders, the poor and underdeveloped



countries must recognize this fact as the basis for all their planning "instead of building castles in the sand for a future of prosperity and greatness which from the very beginning are doomed to fail."

Nothing could be more in line with the ideas of those who, from Washington, decide and approved the aid programs for the Latin American countries and who are convinced that the armed forces of the continent are the best defense which the United States has against communist penetration in the area.

The status of being the continental policeman in the service of Yankee imperialism, such as it was assumed by the Brazilian armed forces, is fully confirmed when its exponents declare that the main objective of national security policy is to wipe out communist activities, both in the country and within the system to which it belongs, that is to say, the "Western and Christian world." In effect, the Brazilian military leaders do not rule out the possibility of a revolutionary war in Latin America due to the outbreak--in some country on the continent, of armed movements identified with international communism; in that case there might be a possibility and even a necessity for sending troops to crush any possible insurrectional outbreaks. Thus they feel that they are helped by the right to carry out preventive maneuvers of a "psychological character in order areas--especially those along the boundaries with Argentina, Uruguay, Paraguay, Bolivia, Guyana, and Venezuela--when certain internal situations in those neighboring countries "threaten continental peace."

The above thesis fully explains Brazil's military intervention as a force allied with United States imperialism within OAS, in the Dominican Republic; its open participation, by sending tanks and aircraft in support of the reactionary sectors, in the overthrow by the progressive regime of Gen Juan Jose Torres in Bolivia; and the clandestine action against the government of Salvador Allende and the advice given to Chilean military leaders to stage the coup d'etat which ousted him on 11 September 1973.

However, this militarist and subimperialist policy has constituted an extreme extremely heavy weight on the Brazilian people and the country's economy which is on the brink of economic collapse. Today we can witness in Brazil a rapid proletarianization of the middle classes, a controllable [sic; uncontrollable?] inflation and an iron lid on worker wages; the workers have been kept on the sidelines of the political process and they are given consideration only as a source of cheap manpower. This process obviously has permitted the consolidation of a very powerful agrarian and industrial oligarchy which however is subjected to the interest and dictate of United States imperialism and its European allies.

The political relaxation allowed in certain sectors of the bourgeois opposition, the only one that is permitted, and the recent and limited decree on amnesty issued by the dictatorships are good indications that the

military regime is facing very serious and profound difficulties springing from the proximity of an economic disaster whose first symptoms have caused general in the business and industry sector as well as growing discontent among the well-off classes who until a short time ago unconditionally supported the armed forces and what they were doing. To that we must add the growing labor agitation which, openly defying the authoritarianism and repression of the dictatorship, paralyzed the country's principal production sectors.

The failure of the much publicized Brazilian "economic miracle" has become quite obvious in recent months and this constitutes the most serious setback of capitalism and imperialism in Latin America. Brazil has become caught in the foreign debt spiral; it has been calculated that, by 1980, it will have a debt close to \$80 billion and a balance of payments deficit in excess of \$15 billion. The military regime had to impose restrictions on the imports of certain luxury articles, creating a clamor among the bourgeoisie which now finds that some of its consumption as a privileged class is limited. For next year one can already predict that these restrictions will be extended to the import of fuels, raw materials, and machinery which will inevitably cause a very serious recession.

The Brazilian military leaders and their economic advisors are aware that they are rapidly approaching a very explosive situation which could cause a split in the armed forces among which worries have already begun to spring up, along with the desire for having the armed forces--after a social-democratization of the dictatorship--return to their barracks and turn the big drifting ship of state over to the civilians.

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## BRAZIL

### CAPABILITIES OF VARIOUS ARMORED WEAPONS DESCRIBED

Madrid DEFENSA in Spanish Oct 79 pp 33-40

[Article by Marco Antonio De Andrade Leao, Alberto Carbone, and Javier De Mazarrasa: "Military Vehicles Produced by ENGESA"]

[Text] A policy of self-sufficiency was launched several years ago by some countries in Latin America where there is little industrial development, along with economic weakness, and the continued use of some obsolete armored vehicles (dating back to World War II, with just a few exceptions). Brazil stands out here; it today occupies an important place among the world's arms manufacturers and exporters; it has created an interesting "family" of wheeled armored vehicles, known as "the serpents," since the members of that family have been named after four of the best-known and most dangerous snakes in the Brazilian fauna.

On the other hand, its first domestically-designed medium tank, the X-30, is in an advanced state of development; it is produced by a consortium of Brazilian companies whereas the four wheeled armored vehicles were designed and produced by ENGESA (Specialized Engineers Corporation).

ENGESA of São Paulo is the sole manufacturer of wheeled armored vehicles in Latin America; it is a private company with 100-percent Brazilian capital, founded during the early sixties; under the presidency of Jose Luis Whitaker, it employs 4,000 persons, distributed among its central plants in San Jose Dos Campos and three smaller plants.

The first experiments and tests carried out with cross-country vehicles go back to 1963 when the company began to produce conversion kits for trucks and other specialized vehicles. Since then, all trucks used by Brazilian armed forces and other American countries have been converted into military-type trucks by ENGESA.

The technology thus acquired enabled the company's engineers to develop their well-known, original, and valuable Boomerang suspension system and caused them to take the next, natural step, that is, the production of trucks and vehicles of their own design in order later on to move on to armored vehicles, a facet in which ENGESA has achieved tremendous development; it is the company that advanced most and fastest among those involved in the manufacture of armored vehicles; right now, its production rate is for armored vehicles and twenty trucks per day; this has made it the principal manufacturer of this type of armored vehicle in the Western world (that really is double the output of any other organization outside the Soviet Bloc).

The foundation for the noteworthy success of ENGESA is to be found in its two six-wheeled vehicles, the EE-9 Cascavel [Rattlesnake] reconnaissance vehicle and the EE-11 Urutu [Viper] amphibious APC, which has been exported to Iraq, Libya, and Qatar, among others; they were also adopted by the Brazilian army and navy.

"Brazil today hold sixth place among arms manufacturers and exporters," said the ENGESA president in one of his recent statements in Brasilia. It thus holds the place which the United Kingdom had four years ago, having turned from an arms importer to exporting even armored vehicles. "Our output," added Mr Whitaker, "has already been completely sold for the next two years and represents a total of \$200 million or, in other words, 2 percent of Brazilian exports."

Mr Whitaker emphasized that this latter percentage carries more weight than might seem at first sight and he pointed out that "ENGESA can produce 20 military trucks and four wheeled armored vehicles per day, with prospects of exporting to 32 countries in Africa, Asia, and Latin America." He admitted however that Brazilian exports are running into two problems: lack of confidence in the producer since Brazil is a new power on this market and prices which generally are higher than those of similar equipment offered by the big powers because they operate with political prices. The Sucuri [Boa], for example, an AT vehicle [TD], is sold by ENGESA at \$500,000 but the accessories may cost another \$200,000, whereas the big powers offer a similar vehicle at half the price.

The solution found by ENGESA to cope with this competition has been, on the basis of available resources, to manufacture combat vehicles adapted to the developing countries. With the experience acquired in the conversion and assembly of trucks as well as traction systems for those vehicles in difficult terrain and on the basis of dropping the construction of vehicles under license and turning out vehicles suitable for Brazil's difficult roads, ENGESA built a truck prototype which aroused the interest of the Brazilian armed forces.

This prototype was developed as part of the group of light, medium, and heavy, EE-15, EE-25 and EE-50 military trucks for which the company promptly got orders and with which entire units were equipped, the first of these being the Naval Fusileer Corps.

In addition to traction systems the company also developed projects for special suspensions, tire pressure control systems, puncture proof tires, aiming systems, etc. This heavy vehicle technology expansion policy enabled the ENGESA factories to produce Brazil's first forest tractor.

Then came armored vehicles named for snakes which, as we said before, placed Brazil and ENGESA in a privileged position; its current military output includes the following:

#### Armored vehicles:

ENGESA EE-3 Jararaca [a type of viper], 4 x 4 light armored reconnaissance vehicle;

ENGESA EE-9 Cascavel, 6 x 6 light reconnaissance and fighting vehicle;

ENGESA EE-11 Urutu, 6 x 6 amphibious APC;

ENGESA EE-17 Sucuri, 6 x 6, 105-mm TD;

#### Tactical trucks:

ENGESA EE-15 light truck, 1.5 t, 4 x 4;

ENGESA EE-25, medium truck, 2.5 t, 4 x 4 and 6 x 6;

ENGESA EE-50, heavy truck, 5 t, 6 x 6.

#### Brazil's Armored Snakes

This family consists of the four vehicles mentioned earlier, developed by the Sao Paulo firm for the Brazilian army although they are also in demand for exports.

ENGESA armored vehicles have already been evaluated in terms of their fighting capability. With inferior armor and less fire power than Russian tanks, they proved to be superior to the former during the Libyan-Egyptian conflict above all because of their greater maneuverability, light weight, and easy handling.

The first of these projects carried out by ENGESA, with the collaboration of other Brazilian companies, was a VTT [Cross-country vehicle] called the EE-11 Urutu and officially known in the Brazilian army as CTRA (Amphibious Wheeled Transport Vehicle).

Work on the blueprints and the design began in January 1970 and culminated in a prototype that was finished in July of that same year; in a project with these features, this is indeed a record in terms of speed, organization, and technical capacity. ENGESA on the other hand had the collaboration and experience of the DPET (Technical Research and Training Directorate), a military agency which developed the VBB (Brazilian Armored Vehicle), although only in the prototype phase.

During the year and a half between the completion of the prototype until early 1972, when series production was started, a CTRA was submitted to the pertinent tests designed to determine its overall capabilities and the performance of its individual components.

The hull of the EE-11 consists of a self-supporting, totally armored composite structure, made through the superposition of a layer of light alloy on top of the steel layer, which gives the crew total protection against small-arms projectiles, as well as increased protection due to good frontal, lateral, and posterior inclination of the vehicle's walls.

The internal arrangement of the EE-11 is the conventional one which is usually found in this type of vehicle: The driver is in the left forward position, the engine is on his right, and there is an aft compartment for a platoon of riflemen who mount and dismount through a wide aft door, closed by means of two locking parts. On the side it has two doors located between the first and second wheels on each side, as well as five gunslits for the employment of individual weapons from the inside. On the roof it has a hatch on top of the driver whose lock, when the driver is in view, is retracted into the interior of the hull; there is another circular hatch for the CTRA commander or for a weapons mount. On top of the fighting compartment it has two rectangular openings which are locked with three mutually independent lids.

The Urutu is designed to be equipped with a wide-variety of weapons; this can include a circular mount for the 12.70-mm machine gun in a single-seat turret with a different combination of 7.62-mm, 12.70 or 20-mm weapons of the United States Commando type, the Swedish Haeggblunds turret with a 20-mm cannon or a two-seat turret with 90-mm cannon. Recently the company developed the AA version of the Urutu, armed with the French TA-20 weapons system from EMD [Marcel Dassault Electronics Corporation], mounting two 20-mm HS-820SL cannon with the P-56T Galileo fire control system and the EMD doppler radar, installed in the CNMP H-20R turret (see DEFENSA, Nos 14 and 16), which differs from the one mounted on the French VADAR because it is provided with four smoke grenade launch tubes.

The version now in service in the Brazilian army has a single-seat turret with one 12.70-mm machine gun and another coaxial 7.62-mm machine gun. The EE-11 vehicles earmarked for the navy only have one 12.70-mm machine gun on a circular mount.

Mobility is one of the most important factors in a modern fighting vehicle; this was particularly taken into account in the case of the EE-11 Urutu since mobility is precisely one of the most interesting features of the Brazilian CTRA.

The EE-11 Urutu-II, currently in production, is powered by a Detroit Diesel 6V53N, six-cylinder, water-cooled engine developing 212 hp at 2,800 rpm, connected to an automatic Allison MT-540 automatic transmission with four forward speeds and one reverse speed plus two-speed mechanical transfer case. The power plant enables the armored vehicle to attain a speed of 95 km/hr which can be considered high, whereas the endurance is 700 km.

The Urutu's suspension--an element which influences the mobility of any vehicle--to a certain degree does away with the conventional system used in armored vehicles on the basis of rigid axles and instead adopts an independent suspension for the front wheels on the basis of hydraulic shock absorbers, springs, and longitudinal bars which permit a vertical displacement of the wheels of 200 mm.

For the rear suspension, ENGESA adopted its own solution known as the Boomerang, where the wheels are mounted, by twos, on an oscillating arm which is supported on semielliptical springs; this permits a vertical displacement of 900 mm, guaranteeing total adherence of at least one of the two wheels of each set when the vehicle is driven across particularly difficult terrain. This is a sufficiently proven and highly effective system which ENGESA has been using for many years on its tactical trucks.

The wheels are equipped with puncture-proof 11.00 x 20 tires made by the Brazilian Novatracao firm, with characteristics equal to and even superior to those of the other models.

Another one of the features contributing to the good mobility of EE-11 is its amphibious capability, without any prior preparation, propelling itself in the water by means of its own wheels. It is provided with a wavebreaker blade operated hydraulically by the driver.

By way of additional equipment, the CTRA EE-11 Urutu can receive a hoist in the forward portion with a force of 10,000 kg, IR projectors, communications as well as fire-fighting equipment. The Urutu carries a three-man crew and ten riflemen.

But the EE-11 Urutu was not defined only as a VTT; it was instead intended as a basic vehicle to be converted into a command vehicle, and internal security [riot control] vehicle, as well as a cargo vehicle and armored ambulance.



## Reconnaissance Vehicle

The second one in the snake-class is the 6 x 6 or CRR (Wheeled Reconnaissance Vehicle) EE-9 Cascavel, a light reconnaissance and fighting vehicle, whose development began in July 1970 when the Urutu prototype was finished.

Quite naturally, the vehicle utilizes many elements taken from its bigger brother: The engine, the transmission, the suspension, and that of course is good for standardization, production, simplicity, and maintenance, although it does present variations with respect to its make-up and the location of its components.

The EE-9 has a completely welded steel body with a design outline inspired by the United States M-8 [armored car]. The internal arrangement is the conventional one we find in this type of vehicle, with the driver left forward, with a two-seat turret in the center, and the engine and transmission aft.

Although the prototypes were armed with the 37-mm M-6 cannon from the American M-8 Greyhound, the EE-9 Cascavel of the first series mounted the French H-90 turret, armed with the D-921 F-1, 90/33-mm low-pressured cannon, one 7.62-mm coaxial machine gun, and six smoke grenades launch tubes.

The Cascavel III, a considerably improved vehicle, is now in production; it differs from the earlier version by virtue of the fact that it mounts the new two-seat ET-90-I turret designed and built by ENGESA, with welded steel plates, and with an extension in the aft portion for stabilization. On top it has two access hatches and the hexagonal cupola for the vehicle commander with excellent 360° visibility; but that makes the turret assembly too high. The armament consists of the new smooth-bore EC-90/1-36 90-mm cannon made by ENGESA which, developed by the Cockerill Company of Belgium, was made by the Brazilian firm from the very first prototype onward. This low-pressure weapon is loaded manually whereas it can be fired manually or electrically.

The turret revolution, through mechanical and manual control, if necessary, makes it possible to aim the cannon in any direction, all around, and in terms of elevation from -8° to +15°. The EC-90/1-36 cannon fires five types of ammunition including a penetrating projectile (HE), a hollow-charged projectile (HEAT), a plastic explosive projectile (HESH), a smoke projectile, and a training projectile (TP).

The turret has obstacle and sighting equipment involving a monocular aiming telescope, a laser telemeter, and eight observation periscopes.

The CRR has the same good mobility as the Urutu due to the arrangement of the Detroit Diesel 6V53N engine and the Allison MT-540 transmission.



The suspension of the EE-9 is based on that of the CTRA Urutu using springs and shock absorbers on the front axle, which mounts a Rockwell differential, while the rear axle is of the Boomerang type.

The Cascavel is not amphibious but has a 1-m fording capability; it has air brakes, hydraulic steering, and a 12-v electrical system with Bosch 11v/35 amp alternator.

The EE-9 Cascavel carries 20 rounds of 90-mm ammunition and 2,400 rounds of 7.62-mm ammunition plus a crew of three men.

#### The EE-17 Sucuri

In the heavier vehicle line, ENGESA produced a prototype of a TD armed with an 105-mm cannon, the EE-17 Sucuri, the third member of the Brazilian family constituting another step in the new tendency found in many countries to replace tracked armored vehicles with wheeled armored vehicles which are lighter, more mobile, and simpler and which cost less to purchase and maintain.

The hull, which has a certain similarity to the Urutu, is made of compound armor, patented by ENGESA, and, in the forward portion, with a good inclination, shelters the driver and the vehicle's engine. The central part of the Sucuri is intended for transporting ammunition, parts, and auxiliary elements; it can be reached through a door on the left side which can also be used by the driver and by the men in the turret who occupy the posterior third of the TD.

The turret is the revolving French FL-12 type built in Italy for the light AMX-13 tanks which France sold to Holland, armed with the 105-mm EFAB CN-10557 cannon, with a semiautomatic loading device and electrical and mechanical firing mechanism, at a standard rate of eight rounds per minute, with AP, hollow-charge, smoke, and training projectiles, of which it can carry 43. The armament is completed by a 7.62-mm machine gun and four smoke grenade launchers. An optional accessory is an AA weapon of the same caliber.

The vision and aiming elements consist of ten episcopes and one 6 X magnification periscope.

Provided with electrical and manual emergency controls, the turret can revolve horizontally all around, giving the cannon an elevation aiming field between -5° and +12°. Inside it we have the TD commander and the gunner.

The Sucuri driver is in the left forward section whose access hatch has three vision slits and a removable windshield to protect the driver when he is in view.

The EE-17 Sucuri is powered by the United States Detroit Diesel 6V53T, two-stroke and supercharged engine which develops 300 hp and 2,800 rpm, connected to the Allison MT-640 suspension, an assembly placed in the right forward section of the hull; this gives the vehicle a road speed of 90 km/hr, with an endurance of 600 km, while it can climb slopes of 65 percent with an inclination capacity of 30°. This is helped by a suspension based on springs, hydraulic shock absorbers, and stabilizer bar in the front axle while the rear axle is made up of the ENGESA Boom-rang system described earlier in connection with the Urutu.

The EE-17 Sucuri is used in equipping the armored brigade of the Brazilian army and has vast possibilities for employment in countries with complicated terrain which wants to counter a powerful armed force coming from a possibly adversary.

However, ENGESA is now concentrating its attention on a light armored vehicle, the EE-3 Jararaca, for the purpose of filling the gap between the jeep and armored reconnaissance and fighting vehicles, on wheels or tracks.

This is a vehicle that utilizes the lessons learned in the earlier vehicles, along with the latest technical and design discoveries, plus the use of numerous highly proven, large-series-produced components; all of this has made this an interesting scouting vehicle, with reduced dimensions and with low production, purchasing, and maintenance costs.

Although somewhat higher than the Cascavel, its hull looks somewhat like the hull of the Cascavel and is made with the composite ENGESA armor. It has a considerable plant in its walls which, along with the armor, provide adequate passive protection combined with active protection deriving from mobility and armament possibilities found in the EE-3.

The driver occupies a position that is slightly to the left on the frontal inclined plane, with the hatch having three vision slits, the lid being hinged toward the right; the driver can also enter through the three side doors in the center of the hull; this also applies to the other two crew members who have their respective hatches on top, plus an armored scope and an opening on both sides of the vehicle.

The upper portion is occupied by the power plant, a Mercedes-Benz OM-314 diesel motor, built in Brazil, with four in-line cylinders, supercharged and water-cooled, developing 149 hp, at 2,800 rpm, when braked combined with a G-40 gear box made by the same outfit with five synchronized forward speeds and one reverse speed plus two in the transfer case.

The Jararaca suspension is totally conventional, with semielliptical springs and double-action hydraulic shock absorbers. It runs on 11.0 x 16 tires. Weighing 5,000 kg and with dimensions of 3.9 x 2.0 x 1.0, it develops 110 km/hr with an endurance of 600 km and it can climb slopes of 65 percent.

## Tactical Trucks

The conversion and assembly of trucks was the first activity which ENGESA engaged in; then it quite logically moved on to developing its own products, undoubtedly with notable success, in coming out with some vehicles that cover a considerable tonnage range with excellent performance on the difficult road system in the American subcontinent.

The first of these vehicles is the 4 x 4 x 4 EE-15, a truck in the 1.5-t category, which ENGESA offered in ten versions, including a general-purpose truck, a water or fuel tank truck, a dump truck, a fire-engine, ambulance, communications, and command truck, apart from the specifically civilian version.

It is made of steel plate, provided with a cab that definitely resembles the design of the United States army truck of the decades of the fifties and the sixties, with a vinyl tarpaulin which can be rolled back. The engine is a Mercedes-Benz OM352, six-cylinder, in-line, water-cooled diesel with 149 hp at 2,800 rpm, with Mercedes G-40 gear box with five synchronized speeds and reverse, plus a two-speed transfer [case]. The suspension, both forward and rear, is based on springs and telescoping shock absorbers. It uses cross-country 9.00 x 20-1 2P tires. It weighs 4,100 kg and has a cargo capacity of 1,250 kg cross-country and 2,500 kg on the highway.

After this we have the 2.5-t EE-25 medium truck, made in the 4 x 4 and 6 x 6 versions, with thirteen variations of the basic model.

Both use the 172-hp OM-352A motor and the same gear box as in the EE-15, as well as an identical suspension in the 4 x 4 version. The 6 x 6 EE-25 has a front suspension as indicated for the EE-15 whereas the rear suspension employs the Boomerang system, commonly found in all ENGESA vehicles, both armored and unarmored.

The EE-25 in the 6 x 6 version weighs 6,800 kg and it weighs 5,400 kg in the 4 x 4 version with a payload capacity of 2,500 and 5,000 kg for both vehicles, respectively, cross-country and highway. The performances are identical in the two traction formulas with a speed of 80 km/hr, an endurance of 600 km, and a slope climbing capacity of 60 percent with a inclination of 30°.

The most ambitious of the three military truck models is the heavy EE-50, a 6 x 6, with a cargo capacity of 10,000 kg on the highway and 5,000 kg off the highway. This truck differs outwardly from the earlier ones by virtue of the adoption of a big rectangular cab, of the torpedo type, which can be tilted to get access to the engine and the other mechanical components, as part of the modern line of military trucks. Like the earlier models, it is powered by a Mercedes-Benz six-cylinder diesel with

a capacity of 202 hp at 2,100 rpm, connected to a mechanical gear box with five synchronized speeds, reverse, and two speeds in the transfer case.

The suspension is the same adopted for the other ENGESA vehicles and employs 14.00 x 20 large cross-country balloon tires. With an empty weight of about 9,000 kg, it develops a speed of 80 km/hr on highways, with an endurance of 600 km.

#### The X-30, the First Brazilian Tank

The process of replacing imports--a decisive factor in Brazil's economic history and the moving force behind its industrial development--once again went into action, forcing the armament industry to seek solutions of a technical nature which would facilitate the production of a medium tank requiring a minimum of imported technology.

The difficulty in purchasing tanks abroad--since prices vary between \$800,000 and \$1 million per unit--caused the Brazilian army to opt for a domestic solution: A tank which not only would meet national requirements but which could also become a product that could be offered on the world market.

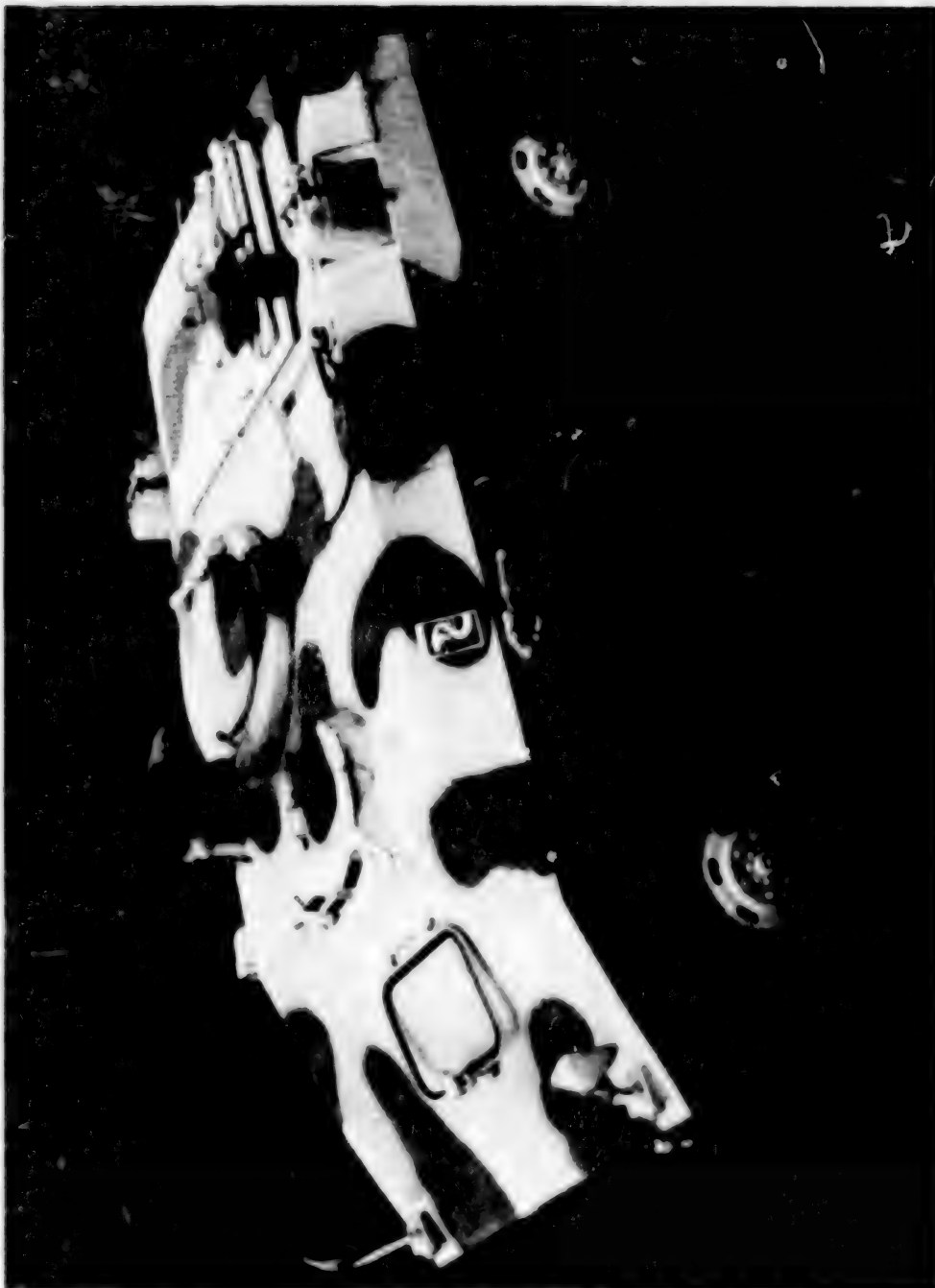
In addition to the above economic motives, the Brazilian army, in its search for a Brazilian medium tank, considered other factors, such as the production, by Argentina, of the TAM, as well as the arrival in Peru of the modern Soviet T-54 and T-55 tanks. This was considered a factor of imbalance harmful to Brazil.

To correct the situation, nine companies, both Brazilian and foreign, got together and worked on the X-30 project, the new Brazilian medium tank. The enterprises are as follows: Bernardini, Biseli, Novatracao, Motopecas, Saab Scania of Brazil, D. F. Vasoconcelos, and Z. F. of Brazil, which are practically the same factories that, on Brazilian soil, manufacture the M-41 and the X-42, the latter being entirely Brazilian.

The development of the X-30 presented some problems of a technical nature such as, for example, the equipment of a laser aiming system, since such devices are not yet being produced in Brazil. The engine also created problems since the eight-cylinder Saab Scania diesel, which had been put into the tank originally, developed only 400 hp, whereas it was estimated that the figure should be no less than 750 hp. The problem was solved by installing two engines connected by means of a special gear box.

The armor, however, did not create any difficulties because the Brazilian industry does have the necessary experience and can do a good job. The same applies to the hull, the optical aiming system, and the gear box.

The X-30 therefore, in terms of its substantial lines and to a very great percentage in terms of its components, will be "Made in Brazil" although it will be necessary to import some components, such as the laser telemeter, mentioned earlier, and the 105-mm cannon because domestic industry so far does not make any guns larger than those of 900 mm caliber.

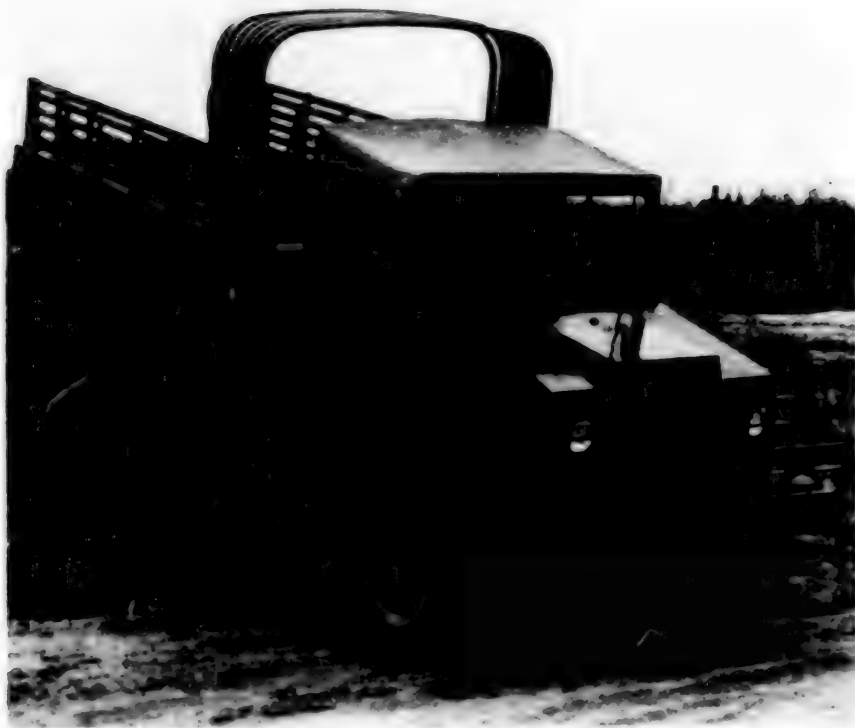


The EE-3 Jararaca, a light reconnaissance vehicle. The photo shows the vehicle's general outline and the arrangement of its elements. The type of paint job might indicate that it is intended for an Arab country.

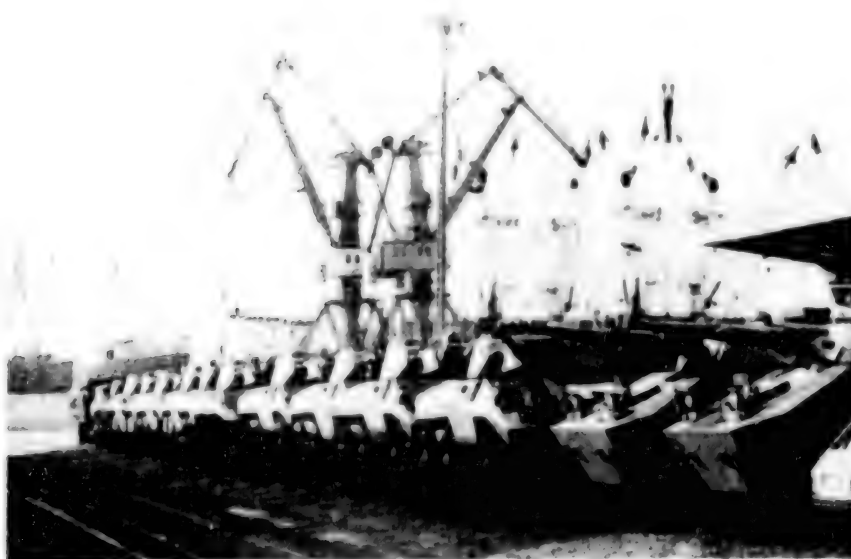


The new EE-9 Cascavel III, mounting the two-speed ET-90-I turret equipped with the 90-mm EC-90/1-36 cannon and laser telemeter.





The 6 x 6 version of the EE-25 shows the great possibilities and ground adherence capacity of the Boomerang suspension on any terrain.



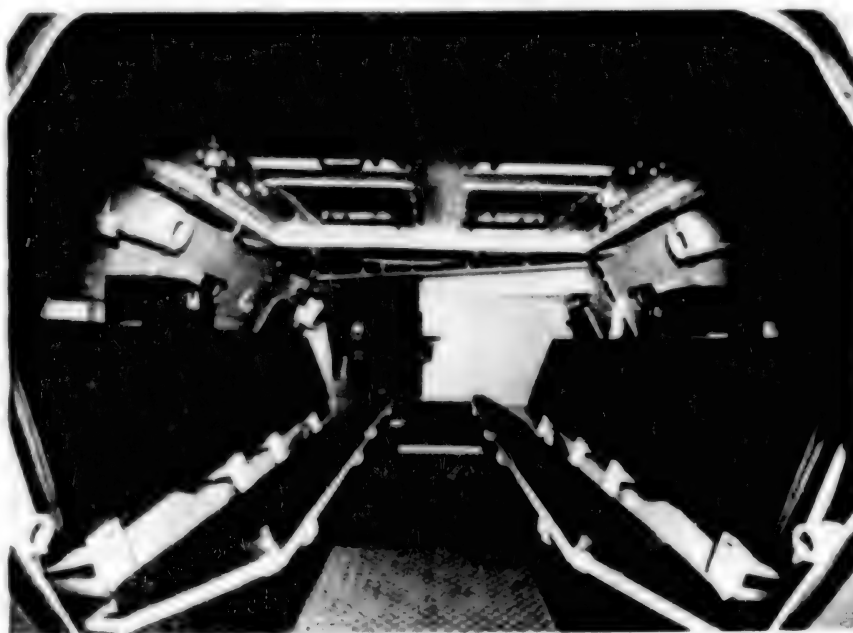
EE-9 Cascavel vehicles ready for loading to be shipped to a foreign client.



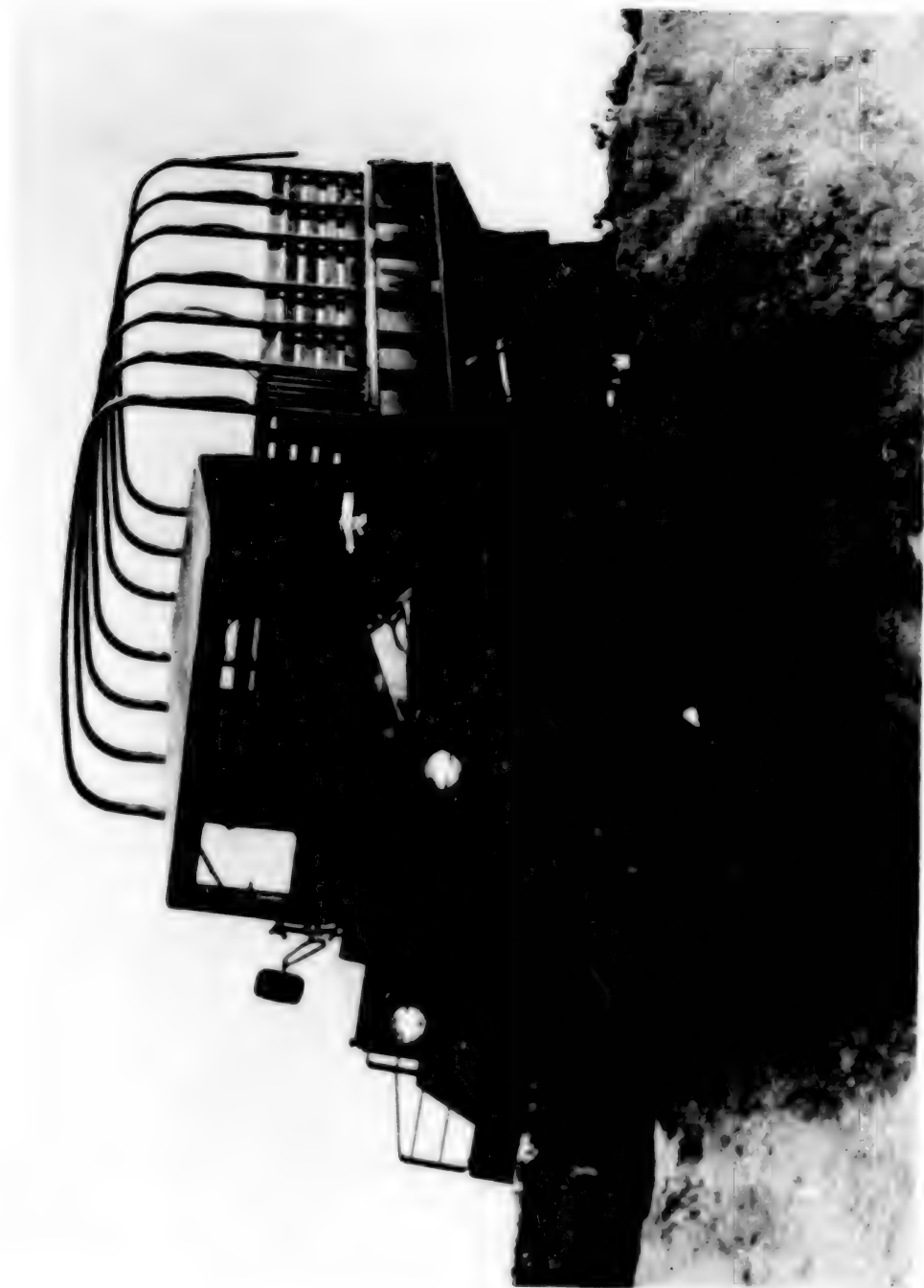
A CTRA EE-11 Urutu, the first in the snake series, equipped with a MILAN AT missile launcher and a 7.62-mm machinegun. Note the five openings on the side and, on the roof, the hinges for the hatches used by the riflemen.



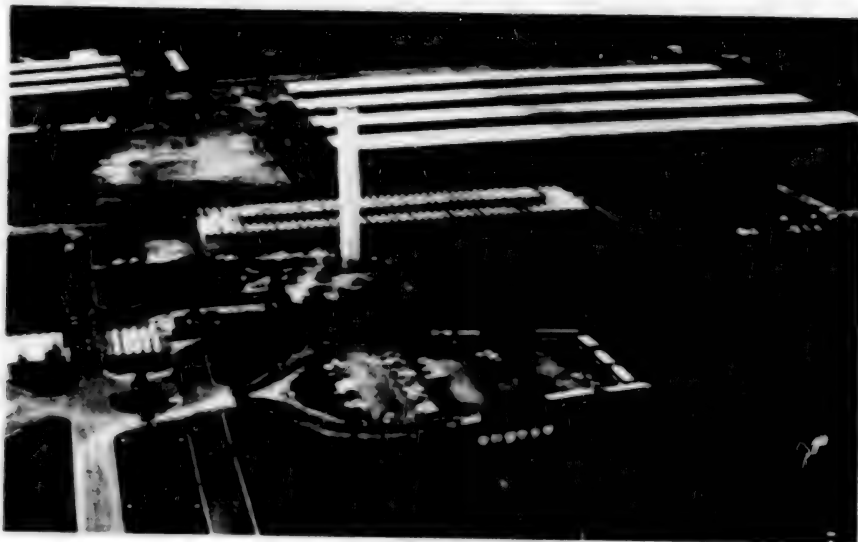
The EE-15 tactical truck displays its capabilities on the proving grounds of ENGESA. This 4 x 4 truck can carry a cargo of 1,250 kg on the highway.



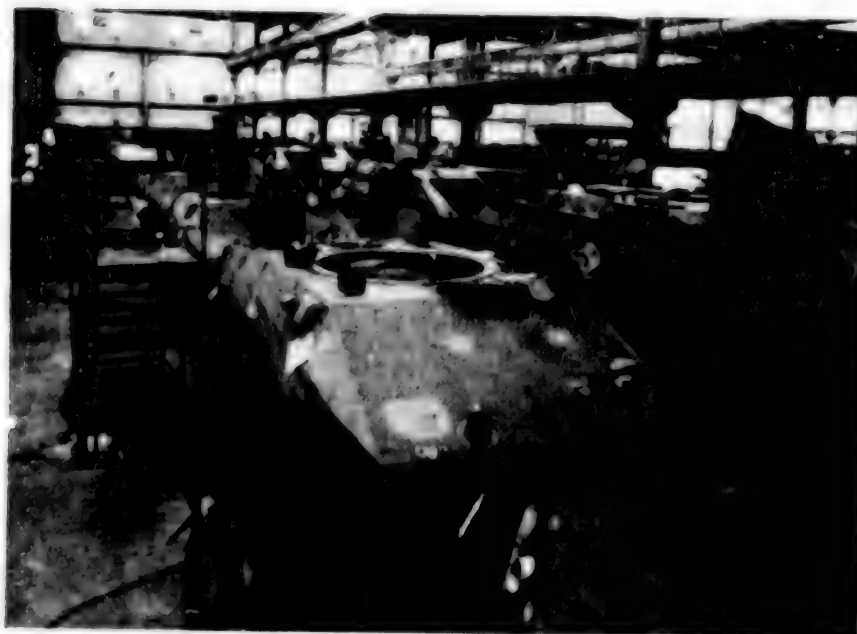
Excellent view of the wide transport compartment in the EE-11 Urutu.



The 4 x 4 ENGESA EE-25, a medium 2.5-t truck, negotiating difficult terrain.



The central ENGESA plant in Sao Jose Dos Campos (Sao Paulo). The Brazilian enterprise, which has four factories and employs 4,000 persons, has managed to win a good place for itself among military vehicle producers.



Cascavel and Urutu assembly lines in the Sao Jose Dos Campos plant.



Three-quarter view of EE-17 Sucuri TD, equipped with the French FL-12 turret, provided with an 105-mm cannon firing a hollow-charge projectile for a range of 2,700 m. Its armament, mobility, and performance make it a worthy opponent of battletanks.



### EE-3 Jararaca

The ENGESA EE-3 Jararaca, 4 x 4, is a light armored reconnaissance vehicle which can be equipped with one 7.62-mm machinegun or an 12.70-mm machinegun, one 20-mm cannon, one 60-mm gun-mortar, or a missile launcher. [Photostat faded at this point] Crew: 3; weight with armament 5,500 kg; [illegible passage] Mercedes Benz OM-314 engine with turbocompressor, 4-cylinder diesel, 149 hp ([illegible]), Mercedes Benz G-40 transmission with clutch [illegible]; five forward speeds, one reverse, and two-speed transfer case; maximum highway speed 90 km/hr; action radius 750 km; maximum vertical obstacle 400 mm; fording depth 800 mm.

### EE-9 Cascavel

The ENGESA EE-9 Cascavel is a 6 x 6 combat and reconnaissance vehicle equipped with one 90-mm cannon and one coaxial 7.62-mm machinegun. Crew: 3; weight with armament: 12,900 kg; total length: 6.29 m; total width: 2.63 m; height with armament: 2.36 m; distance between axles: 3.05 m; track: 2.1m; engine: water-cooled, six-cylinder, 212-hp (SAE) 6V53N Diesel at 2,800 rpm; transmission: automatic, 4F 1R Allison MT-540, transfer case, two speed; maximum highway speed: 90 km/hr; action radius: 600 km; maximum vertical obstacle: 600 m [sic]; fording depth: 1,000 m [sic].

### The EE-11 Urutu

The ENGESA EE-11 Urutu is an amphibious, 6 x 6 APC which can be equipped with one 7.62-mm or one 12.70-mm machinegun, one 20-mm cannon, one 60-mm mortar-cannon, one missile launcher, or one 20-mm AA gun. Crew: 3, plus ten fighting men; fighting weight: 13,950 kg; total length: 6.00 m; total width: 2.59 m; height without armament: 2.225 m; distance between axles: 3.05 m; track: 2.1 m; engine: water-cooled, six-cylinder, 212-hp (SAE) Diesel 6V53N, with 2,800 rpm; transmission: automatic 4 F 1R Allison MT-540, two speed; maximum highway speed: 90 km/hr; maximum speed in water: 8 km/hr; action radius: 600 km; maximum vertical obstacle: 600 mm; fording depth: amphibious.

### EE-17 Sucuri

The ENGESA EE-17 Sucuri is a 6 x 6 TD, equipped with an 105-mm cannon and one coaxial 7.62-mm machinegun. Crew: 4; fighting weight: 18,500 kg; total length: 6.35 m; total width: 2.60 m; height with armament: 3.26 m; distance between axles: 3.9 m; track: 2.1 m; engine: turbocompressor Diesel, water-cooled; type: six-cylinder; maximum (gross) output: 300 hp (SAE) at 2,800 rpm; transmission: automatic, 4F 1R Allison MT-640; transfer case: two speed; maximum highway speed: 90 km/hr; action radius: 600 km; maximum vertical obstacle: 600 km; fording depth: 1,000 mm.

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## BRAZIL

### ARMS EXPORT TO REACH \$800 MILLION IN 1979

Rio de Janeiro O GLOBO in Portuguese 1 Nov 79 p 23

[Text] Brasilia--Jose Luis Whitaker, president of ENGESA [Specialized Engineers Corporation], manufacturer of war materiel, said yesterday at the army's general headquarters that the military industry is expected to export arms in the amount of \$800 million this year. Whitaker also asserted that multinational companies must have their activities controlled in developing countries, "for there cannot be an indiscriminate cannibalism which damages the country and the multinational companies themselves."

The Sao Paulo businessman said that "the recent speech given by Gen Antonio Carlos de Andrade Serpa, head of the army's General Personnel Department [DGP], defending domestic technology and business, was quite reasonable, a true warning and not a criticism of the government."

#### Right to Speak

He added that "General Andrade Serpa's warning was wholly valid and, as the country is in a period of relaxation of controls, everyone has the right to speak."

"The problem of multinational companies is an international problem," the businessman continued. And Brazil is not alone in suffering from this. General Andrade Serpa's opinion is a normal Brazilian opinion. I see no criticism of the government in the DGP head's speech."

In the businessman's opinion, "Everyone needs multinational companies so long as they respect the rules of the game, and it behooves developing countries to have laws which cover any abuse; but this must apply not only to multinational companies but also to state companies and any others. The activity of multinational companies must be controlled so that they may be useful to themselves and I see no impossibility of multinational companies coexisting in the country with domestic companies."

"In the war-materiel industry we are doing our best to get equipped to compete with the multinational companies," Whitaker emphasized.

Concerning the criticism of the military accord which Brazil and the United States maintained until 1977 and which was made by General Andrade Serpa, the ENGESA president said:

"In some instances, military agreements which formerly existed between countries led the recipient country into unfavorable situations, because the agreements were signed at a time when the countries were in different stages of development.

"This is what happened in our case, and the government, aware of this situation, denounced the contract, and Brazil could only profit by this."

#### Pressure

Whitaker said that there are always international commercial pressures to export war materiel but that Brazil is already selling to about 30 countries, including those of Latin America.

#### Unity

Brasilia--Gen Benedicto Pinto de Almeida, head of the army's Department of War Materiel and member of the high command, said yesterday at the army's general headquarters that the military is united around domestic interests, "particularly in reference to domestic industry and technology."

The former commander of the 1st Military Region stressed that "the armed forces have been united for a long time."

"I am hoping," General de Almeida said, "that in the very near future we shall see the Brazilian war-materiel industry totally or almost totally nationalized. I hope there will be self-sufficiency over the medium term. The level of nationalization of our war-materiel industry is already high. The army has made an effort to strengthen domestic industry and technology, and we are counting on the government's support. There is also unity of thought in that area. It is time to think first of the domestic market, for export is another question. Association with foreign companies is also a subject which I consider, but on a secondary level."

#### EMFA's Opinion

Gen Samuel Alves Correa, minister-head of the Armed Forces General Staff [EMFA], stated: "Our objective in the war-materiel sector is self-sufficiency, and we are taking firm measures to achieve that goal."

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# IMBEL PRESIDENT CALDERARI COMMENTS ON ARMAMENT RACE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Nov 79 p 18

[Text] Brasilia--Gen Arnaldo Calderari, president of IMBEL, the army's War Materiel Industry, stated yesterday that an armament race is going on in the world, especially in Latin America, and added: "And, as we are not vestals of peace, we also sell." He spoke during President Figueiredo's escorted visit to the exposition of war materiel manufactured in Brazil and on display at the army's general headquarters.

During the visit, the president of the republic, accompanied by Minister Delfim Netto, requested the representative of the Valparaiba Explosives Co to speed up the gas-generator production project which will replace 95 percent of the diesel oil used in the country's agriculture. Engineer Antonio Rodolfo Becher de Moura, a company official, said that the difficulty encountered in gas-generator production lies in automation.

The presidential party, some of whose principal members were Gen Walter Pires, minister of army; Gen Danilo Venturini, chief, Military Household of the Presidency; and Gen Otavio Medeiros, head of the SNI [National Intelligence Service]; also included the minister of planning; the head of the army's General Personnel Department [DGP], Gen Antonio Carlos de Andrade Serpa; and Gen Arnaldo Calderari, president of IMBEL.

The stands of ENGESA (Specialized Engineers Corporation), Tupa, Angeviniere, Valparaiba, Amadeo Rossi SA Metalurgica e Municoes, Taurus, Beretta, Bernardini, Mecanica Industria e Comercio, the army's Directorate of Armaments and Munitions, Brazilian Cartridge Company (CRC), IMBEL, AVIBRAS, Weroteo, and Acron Armasil exhibited tanks, guns, antitank mines, booby traps and life-saving equipment, inflatable boats, grenades, explosives, light and heavy weapons and the like.

## Race

While Gen Danilo Venturini, chief, Military Household of the Presidency, denied that the domestic armament show indicated that Brazil was definitely in the weapons market and rejected the existence of an arms race in Latin

America, Gen Arnaldo Calderari, president of IMBEL, confirmed the existence of such a race and said that the principal objective of the company he manages is to sell its munitions and armaments.

General Calderari refuted statements made by General Andrade Serpa, who severely criticized the government's economic-financial policy a few days ago, particularly with regard to the activity of multinational firms, pointing out that they have always been very helpful: "The only thing we must guard against is their gaining control of the sector," General Calderari concluded.

In his remarks about the exposition and the Brazilian war-materiel industry, General Venturini stated: "Any country which wants to think in terms of being independent must be self-sufficient in war materiel and have a minimum to maintain its security. In addition, when it manufactures for itself, it must think about selling, for the purchasers are countries with high production costs which require sophisticated raw material."

In his opinion, Brazil is a sovereign country which is not going to let itself be adversely affected by any multinational company. He mentioned the boycott recently carried out against a subsidiary of General Motors, Detroit Diesel, responsible for the manufacture of motors for tanks produced by ENGESA.

Detroit threatens to leave Brazil, alleging difficulties in fuel supply due to restraining measures taken by the Federal Government.

With regard to the speech made by General Andrade Serpa, head of the army's DGP, about the action of multinational companies in the country and the government's financial policy, General Venturini admitted that he was familiar with the text but did not care to comment on it.

Concerning the boycott allegedly going on with regard to multinational firms, Minister of Planning Delfin Netto denied everything, saying that "what we have here is a very serious problem of competition because the armament field is highly coveted."

The minister defended the growth of the arms industry in Brazil saying that the amount budgeted for armaments is "infinitesimal" and that a large part of Brazilian manufacture is intended for the foreign market. With reference to General Andrade Serpa's speech which severely criticized economic-financial policy and multinational companies, the minister of planning said, "It is his personal opinion."

Gen Benedito Mala Pinto de Almeida, head of the Department of War Materiel, said that an effort was being made by the government to make all the weaponry used by the army, navy and air force uniform.

ENGESA President Jose Luis Whitaker advised yesterday that the Brazilian war-materiel industry is taking the Latin American market into consideration, currently exporting all sorts of armaments produced in the country, beginning



with pistol ammunition, rocket launchers and tanks. And all countries on the continent are buying, replacing purchases previously made from the United States, the traditional supplier.

Whitaker supported the position taken last week by General Andrade Serpa against multinational companies, saying that the warning given by the DEP head is valid and reasonable and should be respected, for it is not only Brazil which is suffering from multinational companies "but the entire world." Moreover, it is not an isolated and particularly unusual opinion."

He considers business pressures normal and says that in competition we have to have "efficient and inexpensive armaments." The businessman also denies that there is an arms race in the world and asserts that fewer weapons are being purchased in Latin America now than a few years ago.

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## BRAZIL

### MERCHANT MARINE DESCRIBED AS CONTINENT'S LARGEST

Rio de Janeiro O GLOBO in Portuguese 25 Oct 79 p 26

[Text] With a fleet of 6,056,662 tons, Brazil has 40 percent of the combined merchant marine of the Latin American countries, whose total is 14,610,910 tons. The Brazilian fleet is 100 percent larger than that of Argentina, which ranks second with 3,030,876 tons.

The figures released by Aurelio Gonzalez Climent, director of the Iberian-American Institute of Merchant Marine Studies, show that the average age of the Brazilian fleet is only 6.5 years, while the average age of the Argentine fleet is 13.4 years. In general, a ship is used for 15 or 20 years in commercial exploitation.

#### Private Sector

Brazil leads in all items of the Latin American statistics except in the private business fleet in which Argentina, with 1,037,118 tons, exceeds Brazil with 913,368 tons. In Brazil, state firms, among which Lloyd's, Docenave and PETROBRAS [Brazilian Petroleum Corporation] are particularly outstanding, have 4.7 million tons and private firms only 1.3 million.

Brazil is still the largest builder of ships for Latin American countries: 26 percent of the ships in use in the area were built in Brazil. Japan ranks second with 20 percent of the ships being used in Latin America, and Spain ranks third with 6.8 percent. Then come the FRG, Great Britain, Denmark and, in seventh place among the suppliers of ships for South America, Argentina.

### LATIN-AMERICAN FLEET

Country	Tonnage	Number of Ships
Brazil	6,056,662	268
Argentina	3,030,876	186
Mexico	1,254,034	76
Venezuela	1,002,531	74
Cuba	859,994	84

Chile	778,505	44
Peru	645,553	48
Colombia	357,977	19
Ecuador	249,281	30
Uruguay	280,650	16
Dominican Republic	30,427	6
Paraguay	13,120	14
Nicaragua	22,811	6
Guatemala	13,433	4
Bolivia	6,438	1
Costa Rica	5,300	2
El Salvador	3,256	1
Totals	14,610,910	899

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NAVY MINISTER ADVOCATES BUILDING WARSHIPS IN COUNTRY

Rio de Janeiro O GLOBO in Portuguese 5 Nov 79 p 16

[Interview with Navy Minister Maximiano Fonseca by O GLOBO on 4 November; place not given]

[Text] Navy Minister Maximiano Fonseca said yesterday that, in addition to absorbing all the foreign technology possible, Brazil should develop its own technology. "We are making every effort to design and construct our own ships and develop the weapons and equipment which go into them," he stated.

He said that he considers it essential to create a security system for the oil-producing continental shelves in the sea and that the program for reequipping the fleet also includes a plan for constructing a nuclear-powered submarine.

Ocean Resources

The admiral also declared that "in order to achieve good results in using the ocean resources for the benefit of all Brazilians, it will be fundamental for the CIRM (International Commission for Ocean Resources) to operate in an efficient manner."

"This commission," he emphasized, "is coordinated by the Ministry of Navy itself with the participation of members of the ministries of foreign affairs, agriculture, mines and energy, transportation, education and culture, and industry and commerce, as well as of the Secretariat of Planning of the Presidency of the Republic (SEPLAN) and of the National Council of Scientific and Technological Development (CNPQ).

"In this manner," the minister said, "as the first step taken to achieve the desired results, we are making the CIRM's operation more dynamic."

O GLOBO: Will the next navy submarines actually be built in Brazil?

Maximiano: It is our firm intention to build our fleet's next submarine in Brazil. With regard to surface vessels, we intend not only to build them but

also design our ships in Brazil; as for the submarine, whose construction design is quite complicated, it will be more logical to purchase the design and contract for the necessary technical assistance to build it in Brazil. In this regard, we are already arranging for international bids from the builders of three types of foreign submarines, previously selected, to reach a definite decision on which will offer us the best advantages. Naturally, the choice of who builds the vessels will depend on the payment facilities offered, since our financial resources are limited.

O GLOBO: What is the navy doing about research on nuclear propulsion?

Maximiano: I have no doubt about the importance of nuclear propulsion for war submarines. Naturally, if such propulsion were cheap, it would already be used in all navies throughout the world, since it offers so many tactical and strategic advantages. That type of propulsion is still more advantageous in the case of submarines. For example, the United States has almost completely abandoned diesel propulsion in its submarines.

As a result of the cost, only a few wealthy nations have warships driven by nuclear power--namely, the United States, Russia, England and France, the last two using nuclear power for submarines only.

As for nuclear propulsion in commercial ships, this is not yet economically feasible; and of the three commercial ships constructed with that type of driving power (the American "Savannah," the German "Otto Hann" and a Japanese ship), only the German ship is still in operation.

For this reason, we could not fail to support the construction of a nuclear ship for our navy. Meanwhile, this will still require a lot of time, at least 15 years, since we have to develop our own technology, not being able for that purpose to use any part of our agreement with Germany.

O GLOBO: What is your opinion about the Brazilian nuclear program?

Maximiano: I do not have extensive knowledge on that subject and, in addition, it is a problem within the province of another ministry; however, since it is a subject of great interest to all Brazilians, I can give my opinion as a citizen. I talked a lot with the greatly missed Admiral Alvaro Alberto--international authority on atomic problems--shortly before his death and, as a result, am convinced that we are on the right track trying to recover a deplorable delay of 30 years. We are seeking overall technology on the use of uranium as a source of energy. Of course, that technology costs much money and time by the one who developed it and, therefore, if we want it over the short term, as is essential, we shall have to pay dearly for it. This is why I entertain and fully justify the current dimensioning of our nuclear program, since obviously, the Germans are not about to share all their technology with us but, rather, will just sell us a nuclear power plant. But I repeat, I am convinced that this is the price we must pay to arrive rapidly at a solution which will bring enormous benefits for the well-being of our people.



O GLOBO: What is your position on the problem of creating our own technology?

Maximiano: The problem of technology is of fundamental importance in all sectors if our country is to occupy a position of absolute participation in all fields. The solution to this problem is entirely dependent upon our will and tenacity, in effort and study. We must not have the illusion of believing that any foreign country, without compensation, will share with us all that it obtained with the expenditure of a great amount of time and money. We must make every sacrifice and use all our strength, patriotism, dedication and intelligence not only to absorb the technology the foreign country is willing to sell us but also, and principally, to develop our own technology in many sectors.

O GLOBO: What is your opinion of Brazilian military power?

Maximiano: Brazil does not have the ambition to be a military power; it is seeking, and must seek, the full use of nuclear power for peaceful purposes--principally considering the current situation of the world energy crisis--as a factor of major importance for the well-being and enrichment of our people.

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## PURPOSE OF DELFIM NETTO'S TRIP TO MIDDLE EAST ANALYZED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Nov 79 p 37

[Article by Frederico Heller]

[Text] The purpose of the minister of planning's trip to the Middle East is to assure Brazil a satisfactory supply of oil at stable prices, if possible, over the next few years. This is a very important objective whose achievement will directly affect developments in the trade balance and balance of payments. What Prof Antonio Delfim Netto is hoping to accomplish is to preclude the possibility that most of the oil to be purchased from the Middle East will be paid for in currencies convertible into merchandise. His plan is to pay in merchandise.

If our agricultural and cattle-raising activities made it possible to make large sales of staples abroad--which, unfortunately, is not yet the case--the payment for oil would present no problem. In these circumstances, it appears to us opportune and even necessary to find other merchandise whose prices and qualities will receive acceptance by the OPEC countries.

In this regard, the best chance would be in sales of war materiel. Only recently, the FRG military attache asserted that Brazil "is showing the capability of replacing U.S. equipment of more than 20 years standing with excellent war materiel. Considering the prices of the products, Brazil should have a very good market in Latin America, Asia and Africa."

Moreover, a state firm and numerous private firms are already producing and exporting guns, machine guns, tanks and bridge and missile launchers as well as armored vehicles, helicopters and radar equipment. We have even succeeded in selling the Soviet Union guns with which to equip tanks.

Our war-materiel industry reached the point where U.S. and French specialty magazines have praised the excellent quality of our products. This includes specialized Italian, French and German companies acting as "joint firms" with domestic groups, particularly in the sector of submarine construction. Even discounting the possibility of exchanging war materiel for oil, it is hoped that our exports in this manufacturing sector will reach the respectable sum of \$800 million next year. It goes without saying that the development of our war-materiel industry has nothing to do with secondary aggressive and imperialistic intentions which, fortunately, do not flourish in Brazil.

BRAZIL.

FIRST ARMY UNITS TO CHANGE COMMANDERS

Rio de Janeiro O GLOBO in Portuguese 1 Nov 79 p 4

[Text:] Gen Walter Pires, minister of army, appointed new commanders yesterday of 20 units of the 1st Army, headquartered in Rio de Janeiro, Minas Gerais and Espirito Santo.

Lt Col Milton Paulo Cunha Portella will replace Lt Col Sergio Paulo Beuttemuller as commander of the 1st Army's Police Battalion, and the 1st Army's Police Battalion, and the latter will be given another commission.

New Commanders

The following is the list of the new commanders:

First Guard Battalion, Lt Col Expedito Hermes Rego de Miranda; 12th Infantry Battalion, Lt Col Jose Wilson Pereira; 38th Infantry Battalion, Lt Col Heber Leal Ferreira; 55th Infantry Battalion, Lt Col Henrique Carlos Guedes; 56th Infantry Battalion, Lt Col Pedro Mercante Junior; 2d Motorized Infantry Battalion, Lt Col Joao Coenza; 1st Motorized Infantry Battalion, Lt Col New de Carvalho Vilela; 32d Infantry Battalion, Lt Col Simon Mansur Netto; 25th Paratrooper Infantry Battalion, Lt Col Bernardino Nazareth Machado de Souza; 15th Mechanized Cavalry Regiment, Lt Col Roberto Machado de Oliveira Mafra; 1st Antiaircraft Artillery Group, Lt Col Afonso de Alencastro Graca; 4th Field Artillery Group, Lt Col Renato Guilherme Moller; 14th Field Artillery Group, Lt Col Raul Lopes Blandolino; 21st Field Artillery Group, Col Edison Beltrao Medeiros; 30th Paratrooper Field Artillery Group, Lt Col Renato Oswaldo Winter; 8th Motorized Coastal Artillery Group, Lt Col Sebastiao de Seixas Meirelles; Ammunition Depot Battalion, Lt Col Mauri da Rocha; commander of the Sergeant-in-Arms School, Lt Col Waldstein Iran Kummel; and commander of the Gen Penha Brasil Center for Paratrooper Instruction, Lt Col Ramiro Julio Souto Bozano.

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BRAZIL

PROMINENT LABOR LEADER GIVES VIEWS ON LABOR MOVEMENT

Rio de Janeiro MANCHETE in Portuguese 8 Dec 79 pp 62, 64, 66

[Interview with Metal Workers Union leader Luis Inacio da Silva, "Lula," by MANCHETE correspondent Jeff Thomas in Sao Bernardo do Campo; date not given]

[Text] I am seated face to face with Luis Inacio da Silva, "Lula," the principal union leader of Brazil. We are in his office at the Metal Workers Union in Sao Bernardo do Campo located in a four-story building in the center of the city. It is noon on Thursday, Republic Proclamation Day. Also in the office in addition to us, is his wife Mariza, the couple's three small children and the magazine photographer and driver. Lula asks Mariza to take the children to another room to play and he ask whether I would like a drink. I said yes and Lula opened a cabinet, took out a bottle and served the drink in paper cups. He proposes a toast to the Worker Party [PT] and says: "Can we begin?"

[Question] We are going to begin with Karl Marx; the history of every existing society is the history of the struggle of classes. Therefore, is your struggle for the creation of the PT a class struggle?

Lula pulls the cap from his head, which incidentally gives him the appearance of a Bolshevik, and slowly answers:

[Answer] The struggle for the formation of the PT is undoubtedly a class struggle. We want to establish through a party, who it is that is the exploiter and who it is that is exploited. We can no longer have the same boat with the tortured and the torturer or for the employer and the employed.

[Question] Look, Lula, in the decade of the 60's I lived in London and frequented the offices of the newspaper THE TIMES and the following story was told there: One day Karl Marx, who was a reporter for the newspaper, entered the editor's office and said: "I want a raise." The editor replied that he would not give him one and Marx angrily threatened: "You are going to see what is going to happen." What I want to know is when you ask for a raise do you also threaten?

[Answer] That is not quite so. The workers asked for a raise. The company refused. The strike was carried out without a threat. Moreover, metal workers are pioneers in strikes. In February 1917 they carried out the first one in Moscow, asking for bread. They were in the worst of conditions.

[Question] Lula, do you agree that the Brazilian unions should continue as agencies of the Ministry of Labor?

[Answer] No one has answered that question more than I. I believe that the unions have to be independent, autonomous so that they can represent the workers as they deserve. I also believe that the Ministry of Labor should be less committed to economic power.

[Question] What is the difference between the old and present minister of labor?

Lula, smiling ironically, scowls and says:

[Answer] The difference between the two is that Arnaldo Prieto had fewer political pretensions than Murilo Macedo. Now, in terms of punishing the workers, the similarity between the two is very great.

[Question] Changing the subject, what do you think about winning second place in a poll of 58 percent of the Sao Paulo voters?

Lula, without showing any enthusiasm for the poll, answers laconically:

[Answer] Jeff, I have great doubts about the poll. In the first place, I want to know who ordered the survey. In the second place I want to know whether the result is a demonstration that the workers no longer accept professional politicians.

[Question] In that respect, why were you excluded by the legislators from the list of seven who are considered capable of forming the future political parties?

Furious, Lula comments:

[Answer] The privileged ones number seven?

Then more calmly asks that I take this down:

[Answer] I can only understand one thing: First, it seems to me to be the view of a group of corrupt people who believe that they have the right to decide how many parties are going to be created and even who is going to participate in those parties. Apparently it does not enter the minds of those people that the workers could, and should, organize politically. That is why they forgot the workers party.

[Question] And the PT is going to be created anyway?

Lula, very thoughtful

[Answer] When the reform plan is approved I will know how many I can count on. The one in charge hesitates greatly...

[Question] What is your relationship with Dom Evaristo Arns?

Lula ponders a bit and says:

[Answer] To tell the truth there is not much of a relationship. What links me to Dom Evaristo is the identity of struggles. Each of us in his own field defends the less privileged.

[Question] What do you think about the nuclear agreement with Germany?

The question fills him with enthusiasm

[Answer] I would find it very good if we had already put an end to the problems of hunger, health, education and so many others of greater urgency; if we had given fewer jobs to the Germans than to the Brazilians.

[Question] What about political bossism?

[Answer] It is the result of a politicoeconomic system implanted in Brazil which must be fought.

[Question] Do you consider Ulisses Guimaraes the president of the opposition?

He slams the table and says:



[Answer] You are crazy! Dr Ulisses was the creator of the famous Law 4330, which we consider a veritable strait jacket. However, we have overcome it.

[Question] Listen, would you wear a black tie?

[Answer] What is that?

[Question] A group of Sao Paulo Journalists asked me to ask you whether it is true that you make 75,000 per month?

Lula froths with rage. He shouts:

[Answer] Only a cretin can say something like that. Working 24 hours a day without resting, and night after night without sleeping during strikes, my salary was exactly 26,000 cruzeiros, without supervisor pay or anything. I do not have a union car. You have already been to my house, which is modest, purchased through the savings and loan company, and you saw that we did not even have a maid. My wife Mariza does everything in addition to taking care of the children. Those people are hard up for something to invent.

[Question] Now I have to ask you a question which is not only mine but also that of many people who are curious to know whether it is true that your wife Mariza is going to leave you because as they say, after you became famous you became a ladies' man?

[Answer] That is revolting. Any pretty or famous woman who gets near me, to whom I speak, right away they say that it is a new conquest, a new case. They even invented that about Bruna Lombardi. You can write that I am very happy with Mariza and that the story can only be an intrigue of the big party.

Figures of National Life Ask the Union Leader Questions Through the Reporter. Lula Does Not Drop the Ball

Leonel Brizola (former governor of Rio Grande do Sul) refused to ask a question.

Lula: I accept the refusal by Brizola with pleasure. I only think that having spent 15 years out of Brazil he would have many questions to ask about things in Brazil which he perhaps did not manage to understand? He returned as the decadent king of the ward heelers. I was told that he lives in a bourgeois hotel in Ipanema as a guest.

Aureliano Chaves (vice president of the republic): What is the role of the union movement within a democratic political framework?

Lula: The role of the union movement within a democratic system would become much more important because a unionism with freedom and autonomy is presupposed in a democratic system. Once having acquired freedom and autonomy, the goal of the union would be the following: obtain better wages and working conditions for the workers; a share in company profits; a share in the social funds and the administration of those funds such as those of the PIS [Social Integration Program], PASEP [Civil Servants Welfare Fund], the Warrantee Fund, and the INPS [National Social Security Institute]. Within a democratic system we shall tranquilly arrive at collective work contracts and the system of comanagement. I am absolutely certain that in a democratic regime the working class will participate in national decisions on conditions of equality with all sectors of society.

Helio Silva, historian: In the probable hypothesis that only three parties may be formed, as the government plans, will the workers join one of them or will they be divided?

Lula: Comrade Helio Silva needs to understand that the political participation by the workers is not subordinated to the attempts at the creation of three or four parties of the elite, such as the government wants to create, with the support by all the sectors which do not have commitments with the workers. The most that can happen is that the workers, seeing themselves prevented from creating their own party, will join another as a faction.

Didu de Souza Campos (socialite): I believe you are a born leader. That is why I ask you that if in addition to a leader of the metal workers you have political ambitions?

Lula: I do not. I am the result of my class. When my class advances I advance with it.

Rinaldo De Lamare (pediatrist): Do you believe that a representation of the employees in the administration of companies is useful?

Lula: I find it not only useful but necessary. After all, the capitalist is the pure and simple owner of capital not of man. That is why I believe that no one better than the worker participating in the administration of companies can defend the human being.

Heloisa Aleixo Lustosa (director of MAM [expansion unknown]): Does the possibility of disappointing all those people, who expect so much from you, not frighten you?

Lula: I do not know how many people believe in me. However, what I am very much afraid of--and that is what frightens me the most--is the fact that some day I may make a proposal that harms the workers.

Carlinhos Oliveira (columnist): What future would the writers, who are men without a profession, have in your heralded PT?

Lula: Carlinhos must understand the following: The program of the PT is not a program in which only the workers in overalls would participate. It considers the participation of all those who want a more just society which will allow the workers to share in the means of production. Consequently, it envisions for the worker the right to food, education, health, housing and participation. If writers such as Carlinho are committed to those ideas, their place is in the PT.

Antonio Callado (writer): What plans do you have for arriving at power?

Lula: First of all, I, Lula, do not have any plans for arriving at power. However, I believe and I trust that the working class will achieve the level of awareness that will allow it to be a power on this land through democratic means.

Tonia Carrero (actress): In my opinion, you, Lula, are the most famous Brazilian after Pele. My question is this: Does it bother you more that you cannot act on the level of the reputation that you have or that the Brazilian workers do not have wages suited to human dignity?

Lula: The comparison means nothing to me. As far as your question is concerned, what bothers me is not even the fact that the worker does not have a decent wage. What bothers me is that the worker is treated as a thing; he is not respected. He is treated only as a machine and he has no participation in the great national decisions.

Dinarte Mariz (senator): Did you not, by choosing public life, joining or creating a political party, give up the leadership of your class?

Lula: No, because of the following fact: The workers have to have two leaderships, union and political.

Augusto Marzagao (TV director in Mexico): What do you think of Article 3, the draft law for party reorganization, which forbids the creation of a class party?

Lula: I think that as long as the elite is dictating the rules as a class, ~~us~~, the workers, will have that problem. However, it is necessary for society to understand one thing: A class party will always exist in Brazil, except that it will be that of the exploiting classes and never of the exploited.

Ivo Pitanguy (plastic surgeon): In order that the union movement with all its importance not lose its identity of origin in the profound and real relationships among the groups which lead and produce, how can its decline be prevented without it having its own political representation?

Lula: I believe that the representativity of a union movement cannot be confused with its political representativity. The union acts in the specific field of improvement of living conditions of the worker. The party will act with the objective of a program of society for all Brazilians. That is the reason that a conflict does not exist.

Aluizio Maria Teixeira (deputy for the Brazilian Democratic Movement from Rio de Janeiro): Lula, do you not think that you have become so important that you have become separated from the workers and become a middle-class bourgeois?

Lula: I would like the deputy to visit Sao Bernardo. He would see that at no time has there been an estrangement between me and the workers, since I am nothing but a mirror image of the workers I represent.

#### The Success of the Worker Among the Upper Crust

Definitely, it had been a long time since the Sao Paulo night had such an important celebrity (despite the locale) in its midst. That took place at the soiree on Friday the 16th. The Gallery was having a quiet night, with its rich and sophisticated customers divided up between the bar and the restaurant. It was 2300 when I entered with Lula. We sat calmly at the bar. It was as if Arafat, Fidel Castro or even the Ayatolla Khomeini had come in. There was a veritable barrage of looks and whispers: Could it be Lula himself? The elegant maitre d' arrived and he recommended whiskey sours. Lula tasted it and approved. The photographers also were at the table. There was no elitism. Each one drank at least three or four drinks. The elegant public relations officer of the house, Neyde, a pretty brunette, came to the table. She spoke with Lula and asked for permission to take a picture. Lula looked at me and diplomatically refused. Many persons came to greet the leader informally. Others came to ask the most varied and absurd questions. Lula was dressed with great simplicity, that is, he wore the same clothing we found him in at his office at the union: blue trousers, shirt, and a white jacket with very thin red stripes. He told me that the blouse in question had been purchased in New York when he was returning from Japan. Actually, he did not know that he was going to dine at such a luxurious place. However, when he arrived and was fussed over by the doormen, receptionists, waiters and musicians, he found everything very natural. Only when the maitre d' approached with an enormous menu did he look at me and handed it to me saying that I should choose. After I had ordered and the maitre de had left, he laughingly asked me to write everything down for him because the next day he was going to show it to his friends at the union. I wrote: steak Diane and crepes suzette

for dessert. To go with it there was a Moet Chandon champagne, dry 1969, Brut Imperial. Afterwards coffee with Benedictine. After the meal, young Gugu De Pacci (one of the owners of the Gallery) came to the table to say what a pleasure and an honor it had been to have us and he invited us to relax in the discotheque and have a drink. We accepted, and once more Lula was much sought after. Another partner, Victor Oliva, also arrived and the two bombarded Lula with questions about the union, strikes and so forth.

Among the personalities who passed by the table were industrialist Francisco Matarazzo III. Lula found it all very natural, he paid no attention to names and surnames. He did not like the music and he was not enthusiastic about dancing. He remained sitting the entire time, talking, and only stopped to ask me if we could leave because he had to leave for Belo Horizonte very early to give a lecture. In that respect I suggested to Lula that henceforth he should charge for his lectures. He liked the idea and said that the money he received for his work would go to the strike fund. The departure was as triumphant as the entry. Scores of people wanted to shake his hand, embrace and cheer the leader, Lula, the phenomenon of the metal workers, whom the upper crust of the 400 were discovering.

The following day, Tavares Miranda, considered the spokesman and even the high priest of the Sao Paulo high society, wrote in his column: "Jeff Thomas, who was in this capital during these holidays interviewing metal worker union leader Lula for MANCHETE, brought the leader of the men of steel to his debut in Sao Paulo nightlife on the 6th at the Gallery, with scores of autographs requested by high society customers from the leader Lula because he made the women present sigh."

I had never interviewed a leader with such genuineness and charisma as Lula since the time I interviewed Archbishop Makarios in New York in the summer of 1970 at the UN Security Council. We parted friends and he invited me to join the PT, an invitation I accepted.

8908

CSO: 3001

## COLUMNIST SEES ADVANTAGES IN ESTABLISHING PARLIAMENT

Santiago LA TERCERA DE LA HORA in Spanish 23 Sep 79 p 3

[Article by Pablo Rodríguez Grez]

[Text] The president's 11 September message leads us to believe that the country is to remain in the so-called state of emergency for several more years. This conclusion implies recognizing that there has been imposed on the government a "programed immobilism" that apparently is closely tied to the benefits of the economic recovery plan. There is every confirmation of the impression that there is no desire to move forward on the constitutional plane until the bases on which the "protected" democracy that is announced as the final goal is to rest have been made secure. This explains the president's reassertion of specific policies--educational, health, labor, pensions, agriculture, state administration, justice--upon the success of which future steps are dependent.

There is no question that a modern constitutional system is not built in a short period of time or by merely issuing a political charter. It requires a mature process of profound changes which, once they are consolidated, make it possible to establish stable and definitive political institutions. Undoubtedly this is the basis the government is consciously using to delay entering the "transition" stage, awaiting more propitious political, economic, and social conditions.

## The Political Mistake

Assuming that the official strategy is coherent, in my opinion it suffers from an insuperable political vacuum. This affirmation leads me to believe that the government is making a mistake so serious that it may decide its failure or success.

In view of the time that has elapsed, it certainly appears more than prudent to change the political structure that has prevailed since 1973. Six years is a sufficiently long time to develop a comprehensive, well-coordinated plan. This fact is manifest when we observe the advances made which, without exaggeration, have retrieved Chile from the chaos in which



the political administration left her. Nor should it be forgotten that it corresponds to the presidential term set forth in the 1925 constitution. If we add to this the career in which the activity of the executive and legislative branches has taken place, the lack of means for expression by the citizens, the weakened condition of the intermediate agencies, and the defective means of communication that the authority has employed, we come to the ineluctable conclusion that crystallizing this system may entail disastrous and irremediable consequences.

Beyond the virtues or defects, the economic plan implies a change in relevant aspects of the national mentality. Its continuance in time will be possible only to the extent it is capable of sustaining itself, that is to say, insofar as it manages to create a consensus that supports it and protects it from the political ups and downs that are inherent in our particular form of being. Otherwise it will collapse without leaving any lasting heritage. This consensus will not be found in the traditional party compromises or infamous alliances, but in the functioning new channels of participation which, instead of perpetuating the personal ideological struggle, will express the real interests of the community and each individual.

The individual substance of the period of emergency, awaiting the positive fruits of the economic plan, will entail an irretrievable popular erosion of the armed forces and will decapitate the president of the republic, without whose leadership it must be acknowledged, none of what has been accomplished would have been possible. The partisan opposition, which in this matter is not deceived, has exerted all its efforts at overthrowing General Pinochet because it knows with certainty that this constitutes the beginning of the end and the rehabilitation of the political cadres. For that very reason it is extremely dangerous to keep the country static, all the more since the economic plan, at least at the beginning, imposes the greatest of sacrifices upon the great masses of workers, projecting a negative image among the people.

#### The Legal Transition

There is every indication that the situation favors the adversaries of the government. The political leaders, who are headstrong in not respecting the truce declared by the military junta, are stirring up ever greater sympathy, transforming participation as a banner and protesting the quarantine they claim has been imposed upon the people for some 6 years. Silvia Pinto, of proven loyalty to the government, said several days ago that now is the time for us to begin to solve those problems that concern us directly. It is true, because the emergency cannot be transformed into a natural, permanent state.

So how do we proceed to promoting the return of the professional politicians now allied with imperialism and scandalously supported by the Catholic Church?

In my opinion the conditions are ripe for the Chilean people, through a plebiscite, to be consulted as to the norms for the transition. To delay this decision is to weaken even more the cohesion among the citizens that the present government is building up. It is up to the people to determine whether

the political parties are to be reestablished, whether the transition should last as long as necessary for the building of a solid, democratic constitutional system, whether there should exist a parliament that will serve to alleviate the social pressures accumulated in those years, and whether that parliament should be composed of functional, regional representatives or political leaders.

I am certain that the Chilean people would decide to consolidate the work of the military junta and once again repudiate the attempts that have been made for 6 years to allow the traditional partisanship to regain its privileges and to monopolize power as it did previously.

The political advantages offered by a parliament are enormous. It provisionally shifts legitimate citizen disputes to an organism that represents all the national interests. In that way it prevents blind partisan opposition from being the one that chooses the ground on which to fight the government. Yesterday it was the UN, the European countries, the Catholic Church, the labor unions, etc. This advantage is too great for it to be dispensed free of charge to those who are solely trying to retake the government to satisfy their insatiable personal appetites.

On the other hand the control powers of the Congress would give greater consistency to military action, avoiding excesses which are, besides, peculiar to the public function when it is concentrated for too long a time in small groups of officials.

Finally everything recommends beginning the transition with a plebiscite which, while setting the rules for this period and confirming the authority of the president, would generate the organisms that will temporarily have to lead us to the definitive political system. Otherwise immobilism will create fertile ground for extremists and professional politicians, who are always seeking to use to their advantage the mistakes of the strategists of the regime.

1478

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## GROWING UP A CRITICISM OF DRAFT CONSTITUTION DEBATED

Santiago LA TERCERA DE LA HORA in Spanish 21 Oct 79 p 2

[Article by Juan de Dios Carmona]

[Text] The debate that is beginning on the political system that Chile is to have in the future is receiving curious signs.

On the one hand there is a group called "the 24" that has voiced its opposition to the draft constitution now being examined by the council of state, in the form of a very general report. In it there is proposed no specific norm of a constitutional legislative nature, and so it is very difficult to make out the actual scope of some of its proposals. This group is protesting because, it claims, people do not want to listen to it. The most curious thing about the case is that the protest is made against the government, the legitimacy of which the same group claims to reject and whose authority to conduct the process of establishing the new political system it does not recognize. How can the two things be stated at the same time? It is something that the Chilean people, with their profound political realism, cannot understand, and therefore those proposals are popular only in the small world of parliamentarism, one a little antiquated and the other a little haggard.

Although its position makes dialogues with that sector very difficult, we wish to refer to three aspects which are immediately self-evident with the publication of the "report of the 24."

The first is that it avoids dealing with a subject of the greatest importance to the Chile of today and tomorrow. It is as if nothing had happened to us. In the proposals there is no exclusion of totalitarianism of any kind, and least of all Marxism, in the democracy that is suggested for our country. On the contrary, it appears that freedom to attack freedom would be granted. There is no condemnation of terrorism. Is there the expectation of having or generating Marxist support for what is proposed?

The second one has to do with a contradiction. It is said in the report that Chile does not need a new constitution, but only needs to amend some provisions of the constitutional system in effect in 1973. Nevertheless there is proposed a modification so essential to that system that, for it to be

translated into specific norms, it will be necessary to recognize the need for a new constitution. The ideas that have been expressed surreptitiously, substitute for the presidential system a parliamentary system, which is termed "semipresidential." This is the intent of the proposals to establish the office of vice president of the republic, votes on presidential system, and the new control powers of the Congress, on the one hand, and the office of head of government [jefe de gabinete] and his support by a parliamentary majority, on the other. The dominance of the parties and of the parliament over the president is thus evident.

The third is an omission. It is a large one, in capital letters. There is no proposal on security, and there is no recognition of the armed forces as a constitutional force. What has happened in Chile is avoided with political unrealism, and no provision is made for our defense and our sovereignty.

Immediately, in a completely distinct position, there have appeared statements on the draft of the constitution made by the president of the temporary Studies Organization. This is a group of professionals who are playing an interest in public affairs.

The remarks relate mainly to two subjects: a) what in its judgment are excessive functions conferred upon the president of the republic, and, on the other hand, a "balance of powers"; and b) that the draft contains "ideological," moralistic ideas which stem from union thinking.

Finally, after one report and several statements, we come down to a disparaging, unfair, and improper statement of his competency, made by Alvaro Puga (Alexis) several days ago in this same newspaper. He pointed out that "the same greedy ones (we do not know who) have kept for 6 years a constitutional draft that even the most foolish person knows is bad, clearly bad, because in no way does it approach conditions actually existing in Chile today and that will exist there tomorrow."

We do not know the basis of this statement, because the article that he published does not explain it. From the context it would appear to be inferred that he seeks to defend President Pinochet from certain greedy people and that in his opinion the only appropriate thing in the way of a political system would be to organize popular support for the charismatic leader that the president is. However the fact is that the president has pointed out repeatedly that he has never tried to do that, and that not only has he not attempted to do that, but, on the contrary, he favors a democratic constitutional process involving appointment of a commission for preparing the draft of the constitution, receipt of the draft, and sending it to the council of state for its scrutiny. Such steps are not taken with a draft that is "clearly bad."

A report containing general ideas that have always been attractive in appearance but are not translated into concrete norms for application, statements based on traditional decisions and solutions for new conditions existing in Chile that require new constitutional concepts and norms, and an incongruous

assertions merely recall to mind the old story of the inveterate objector who is always prone to say, "Tell me what the issue is, so that I can be against it."

It is not the attitude of the ex-senators who talked with the minister of the interior, who concurred that the debate over the constitutional future of Chile should begin once the report of the council of state is received, more reasonable, fair and appropriate for Chile's interests and future democracy?

It would be borne in mind that what is prepared by the drafting commission is only a draft of a constitution. After the question is turned over to the council of state seems to be the time to open the constitutional debate, acknowledging the channels indicated by those made responsible by the nation for conducting the process leading to democracy.

1428

CSO: 8010

# OPPOSING VIEWS EXPRESSED REGARDING LABOR PLAN

## Unions' Letter Scores Plan

Santiago LA TERCERA DE LA HORA in Spanish 17 Nov 79 p 9

[Text] Dear Mr Minister: The professional and industrial unions of Chile's A Manufacturing address ourselves to you and to public opinion to qualify the following:

1. The members of our union organizations approved a strike at the appropriate legal opportunity, rejecting in this way the last proposal announced by the company.
2. Said proposal constituted, moreover, a clear demonstration of rejection of the results achieved in collective bargaining that the company, in accord with the Labor Plan and the disastrous policy of importation of foreign products, manipulated self-indulgently.
3. The agreements reached are not the fruits of normal and fair collective bargaining, but rather the logical consequence of a Labor Plan that lets the employer impose his conditions without the workers having at their disposal the legal tools that would permit them to adequately defend their interests, rights, and gains.
4. We were not able to do anything to oppose these policies. The Labor Plan does not consider easy and quick procedures that will guarantee workers the right to true collective bargaining. Resorting to denunciations for "diagonal practices" does not tend to make the negotiating system flexible. It is just a procedure directed toward punishing an employer of bad faith when he obstructs collective bargaining. When will the employers fall into such coarse maneuvers if there are other more useful practices that will achieve the same objective? What can the workers do in these cases?
5. Despite the approval of the strike, we workers are not in a position to put it into effect. We are not in a position to paralyze our industry, allowing the company to continue operating as authorized by the Labor Plan.



You, Mr Minister, were aware of this whole situation at the appropriate time. Nevertheless, you adopted an attitude of total indifference, no matter what damage would be suffered by 4,000 workers and their families.

6. It is for this reason that our assemblies decided, unanimously, not to put the strike into effect. Out of powerlessness, for having been defeated not by our employer, but rather by the Labor Plan. The company has used and legally can use the mechanisms of that plan. We the workers can do nothing.

7. Seeing ourselves obligated to accept the company's proposal, and at the time the collective work contract will be signed that will reign for 2 years, we will sign it without faith in its results, conscious that we are not signing a desired solution, but rather postponing the manifestations of malaise that will be produced during its being in force.

8. Do not blame the union leaders for the workers' shows of dissatisfaction. Do not dismiss them by applying to them the well known "smears" of politicians, schemers, old-fashioned.... Do not blame the workers who express their dissatisfaction in one way or another. Blame those who give us some hope and then frustrate it, those who tell us to trust and who are contradicted by events; those who, if they have acted in good faith, must come to realize the dark reality that we the workers are living as a result of the application of a Labor Plan in whose creation we did not participate in any way.

9. Finally, let us express to you, Mr Minister, and to public opinion that we are sending this letter to follow through on the unanimous agreements freely adopted by the assemblies of our respective unions and that this letter is a total rejection of the badly named Labor Plan.

Sincerely,

Unions:

No 1 and 2 of Umar Cotton: Alejo Catril and Tomas Dominguez, presidents

No 1 and 2 of Umar Nylon: Luis Carter and Claudio Munoz, presidents

No 1 and 2 of Umar Silkworks: Luis Gonzalez and Luis Baez, presidents

No 1 of Umar Polyester: Abel Oviedo, president

#### Editorial Praises Legislation

Santiago EL MERCURIO in Spanish 19 Nov 79 p A3

[Editorial: "The Functioning of the Labor Plan"]

[Text] The Chilean labor experience prior to 1973 did not precisely constitute an example of adequate relations between labor and businessmen.

The labor establishment of recent decades produced strikes of long duration that affected the country's economic and social development. Moreover, the excessive intervention of the state in economic matters necessarily caused collective conflicts to have political connotations; union leaders, to be effective in achieving their objectives, had to link themselves to political movements, which, to some degree, contributed to the loss of prestige of the parties by causing them to deviate from their own goals.

Strong industrial protection and innumerable state controls often caused salary adjustments to be excessive and charged definitely to the great mass of consumers, who had no options because of the lack of internal and external competition. Finally, labor action combined with the action of the political parties led to anticipatory rules and laws regarding salaries that represented incentives for unemployment.

In other words, many of the triumphs of the powerful workers' groups were not at the expense of capital, but rather of the poverty of those workers linked to the unemployed.

Labor legislation that effectively favors the vast majority must avoid the bad practices cited by maintaining the legitimate rights of the wage earners in an atmosphere of liberty, which means a minimum of state intervention.

The first results of the present labor plan show that most of the evils of the past can be overcome by respecting the rights of labor. In other words, wage earners can, through free organizations, obtain legitimate gains that, without affecting consumers or the poorest, will be compatible with a cleaning up of political practices.

The countries of greatest democratic development that have achieved progress have done so by using systems of free labor relations in which the functioning of competitive markets automatically tends to place a brake on excessive demands, on prolonged strikes, and on possible negative effects on commerce and employment.

No organized society is capable of supporting a system of labor relations in which productivity and growth are significantly affected. When there has appeared in modern economies an excessive statism or strong monopolistic union power, almost unsolvable problems affecting the whole community have been produced. The new labor plan is a success in the sense that it is generating satisfactory solutions, freely agreed on by the parties, in an atmosphere in which the expense to society is minimal.

As long as the country's leaders keep themselves removed from collective conflicts and as long as the laws are strictly complied with, the country will be able to achieve a labor system that, by defending the legitimate rights of the workers, will permit a solid economic and social betterment of the country, similar to what has occurred in the free economies that, at the present time, display the greatest levels of well-being.

## International Interest Expressed

Santiago: LA TERCERA DE LA HOJA in Spanish 19 Nov 79 p 10

[Article by Jose-ro Ponce Melina]

(Text) Minister of Labor Jose Pinera has stated that there is intense interest abroad in the development of the Chilean Labor Plan, that through recordal emphasis and distancing from politics, is achieving quite effective relations between employers and workers by reserving to the state only the surveillance of labor laws and social security.

Certainly these statements have irritated the domestic opponents of the Labor Plan, who have cast doubt on the words of the secretary of state.

In a search for the truth of this assertion, we must say that within the Ibero-American group, there really is interest in knowing about the Spanish and Chilean experience in the area of changes in the labor situation because of the political conditions and the lack of union freedom existing for a long time in these countries. Spain, in a framework of central (as published) European economic cooperation, is trying to apply the mechanisms of union freedom and of workers' rights, adhering in the highest degree to the international standards for labor recommended by the ILO. Chile, within the model of a social market economy and of increasing democratization "Chilean style," is attempting to show integration between an economic plan and a social plan (Labor Plan and combatting extreme poverty), with the promise that these plans will be coordinated but without one of them being subordinate to the other.

The ILO has recommended to the Latin American countries that they ratify and apply the legal instruments of the ILO, concerning union freedom and its exercise and that they facilitate the strict observance of these principles. The ILO adds that union freedom is a prerequisite to worker education. In the same vein, it also urges them to develop and apply to the maximum, policies to create new employment.

If it is certainly true that the announced points of the Chilean Labor Plan were universal in nature, the same has not happened regarding its implementation laws. But it is also certain that the government has shown interest in technically improving these laws and it already has prepared a package of changes in collective bargaining. It has also opened a new dialog with union leaders, to correct those holes in the law of union organizations. Pinera acknowledged in a press conference last Friday that these changes in format and not in depth will continue, since by next April 1980 the first stage of collective bargaining sessions will have been completed, whether they be established by law (within the list of dates for negotiations according to the rules) or of a voluntary nature.

Within this framework, the Chilean government chose negotiation by company, but the Department of Labor Relations of the University of Chile has noted the importance of scientifically investigating if the conduct of the negotiations has been influenced by interest-group criteria of businessmen or

workers, by the branch of production or services. If this were the case, that means that a freer negotiation would be better and that it should be the participants (businessmen and workers) who decide if it is helpful for them to negotiate by business or by economic area, since maintaining the present official standard in this case would be a legal fiction that could in the future bring us to obsolescence as happened with the old labor legislation. Therefore, it is also important to understand this legislation from the international viewpoint.

There is also foreign interest in the structure of the projects on collective agreements and their results, to know what is the conduct of these projects in the technical sense. Collective bargaining should include three aspects in the following order, to set remuneration and work conditions: 1) risks in work; 2) retirement (system of compensation and old age or disability pensions), and 3) remuneration (present salary and other benefits). It is obvious that the Chilean unions at this time have been asking for, based on the last category (remuneration), increments because of circumstances contributing to the relationship between salaries and prices, and because of the loss of purchasing power of workers' incomes, as a result of negative developments in the Chilean economy for which we are all paying.

Lastly, Labor Minister Jose Pinera has said that collective bargaining now considers not only the interest of the workers, but also the protection of the community, so that salary increases are not charged to prices, thus affecting consumers, unemployed and retired persons. This, too, is seen as an international focus, since protection of the consumers begins through watchfulness by the state in the quality of national products and their foreign competitors, from the viewpoint of the products' usefulness, as well as health and ecology concerns. The unemployed and retired persons are certainly represented in the workers' universe, in a three-part framework, in which the other two components are the employers and the state.

9/15

CMO: 0010

## SNA APPROACHES VIEWS ON AGRICULTURAL SITUATION

## Analysis of Economic Conditions

Santiago - *El Mercurio* in Spanish 30 Nov 79 p 31

[Text] In various publications, interviews and speeches recently German Wiesner, president of the National Agricultural Association [SNA], has very clearly and systematically stated the position of the members of that institution with respect to the economic and social situation in agriculture, the issues of agriculture, land modernization and the reduction of bureaucratic red tape in public administration.

Moreover, during a meeting held recently by SNA members in which the board of directors heard the problems that they say are affecting the sector, the assembly "demonstrated exclusive support for the official policy on rural areas, even though it has been costly to farmers, as it has to everyone, in order to the new national economic model."

## Analysis of Agriculture

In the course of the opening ceremony of the 1979 Santiago Industrial Fair, the SNA president analyzed agriculture within the framework of the Chilean economy, and discussed several aspects of agricultural life and some problems that are confronting it. He noted that all available economic indicators clearly point to the magnitude of the changes that have occurred in agriculture.

"The First of June," he says, "is the growth in the appraised production of the sector and the part of the national product which in 1973 was 7 percent of the national product and now stands at 14 percent. It is possible to optimistically predict that in the not too distant future agriculture's contribution to the national worth will reach nearly 20 percent, a production similar to that of the rural population in relation to the nation's population as a whole. This means that for the first time in our nation's history, the average rural man will have an income equal to and not less than that of the average Chilean citizen."

At the same time, he adds that the balance of trade in agriculture, which had a deficit of over \$500 million in 1973, has achieved a nearly \$200 million surplus in 1978. The SNA predicts an extraordinary additional increase in exports by the sector as a result of large investments in orchards, lumbering, livestock and agriindustry during the past 3 years.

He adds that the fact that land has continued to increase in value, which increases profitability and attracts investments which had formerly gone to other economic areas, supports the position that agriculture has increased in importance.

#### Agrarian Needs

Through its president, the SNA has repeatedly presented the needs of the country's agriculture, mainly, referring to the problem of the minifundista. Out of 300,000 farm owners surveyed this year, 240,000 are more or less small landholders, and exploitation of their farms does not yield enough profit to give their families a decent living. In fact, out of the remaining 110,000, 50,000 in that sector have average incomes that are not sufficient either.

In this way, the rural situation is a problem for all Chileans and must be faced by means of official policy. It is stated that "for decades the government has made investments in a discriminatory way, benefitting the urban residents to the detriment of those in rural areas, and therefore they call upon the authorities to correct this deficit through policies for rural development."

The SNA president has also stated the need for greater public investments in the rural sector; for a clear national policy on research and development; for greater informational support for the producer to make better decisions regarding his investments, determine his areas of exploitation, and sale of his products; greater availability of credit for investment, with the government and specialized multinational institutions getting the credits and channeling them for quick payment under the prevailing terms and rate of interest on the national market for medium- and long-term development projects.

#### Legislative Modernization

Although SNA members support the supreme government's streamlining actions in public administration, particularly the results in legal modernization and in ending bureaucratic red tape, they believe that problems still exist, such as the need for restructuring the government apparatus and the abolition of unnecessary expenses and paperwork, as well as the continued existence of many cases of excessive official discretion, and of legal gaps, "that may easily be used in the future as legal loopholes like some unfortunate ones that occurred during the past government."



Care [no lines]

Out of the various statements by the SNA president, what stands out is that farm group's support for the official government agricultural policy that has been followed since the end of 1973, and moreover has expressed its satisfaction with the government's moves to streamline public administration.

These statements are one more illustration of the fruitful dialog between SNA members and government authorities. The farmers gave special recognition Cardinal Marquez de Plata's concern during his term as minister of agriculture.

#### Reply to Bishop's Letter

REVISTA LA TUCADA DE LA ROSA in Spanish 19 Oct 79 p 9

[Text] "If the bishops of the Chilean Catholic Church had consulted us about some of the technical subjects and problems in agriculture, their view would have been universal and not as limited as it appeared in last August's Rural Pastoral Letter," said German Riesco, president of the National Agricultural Association (SNA), after a press conference during which he released a report on that document from the Episcopacy.

"We are concerned about the text," he said, "because in the past, ideas were incorporated into highly expensive projects, which came with the backing of high church figures. For example, it was believed that Agrarian Reform would benefit all the peasants, which turned out to be a fallacy and a political stratagem."

"Now we are apparently returning to these former situations," he said. "Above all if we consider that, if their Pastoral Letter lends itself to political interpretations, it may mean that they are being used politically."

In spite of this, Riesco made it clear that the SNA's criticisms are directed toward the technical aspects of the letter and not the religious ones.

"The bishops have been motivated by a laity spirit, and I do not wish to judge intentions, except to make it clear that their message lends itself to many interpretations throughout the first part," he added.

"It would have been far more fruitful if the content of that report had been complemented by a dialog with farmers," he stipulated, adding that they are starting to work with the bishops to assist them in understanding Organic Agriculture, where they can learn and contribute a great deal, especially in the problems of the smallholder who, because they present a vast system of rural work, is the responsibility of the entire country.

## The Text

After expressing gratitude for the bishops' concern about their activities, he stated that he felt obliged to publicly disagree with their judgments, "since their observations, while they were not completely wrong, seem to me partial, superficial and incomplete, in many cases."

Because of their high position as pastors of the Catholic Church--the document adds--and because of the great weight their words carry, the bishops should have refrained from making inexact diagnoses, which could lend themselves to distortion or misrepresentation.

The document goes on to say that the ambiguous language of the latter also gives a false impression that most of the problems existing in the rural sector are the result of the actions of the present government. "What most of them are problems that originated long ago, such as the minifundia, peasant and Indian communities, and others, which are nothing more than the results of mistaken earlier actions."

## Minifundia

In another part, the SNA statement, in reference to the situation of the various sectors of the peasant population, indicates that the most serious rural problem is that of the minifundia sector, which makes up 53 percent of the country's rural population.

"These landowners," the document adds, "have such small land areas that they are not 'rural residents,' and not 'agricultural producers.' Therefore 'it is absurd to blame the agricultural economic policies because there has not been a solution to the minifundia problem, when that is a rural and not an agricultural problem.'"

Besides noting that the government actions are not enough, the SNA maintained that the final solution to the minifundia is to create full paid employment for those who live there, which can only be achieved through greater national economic development, for which everyone should take responsibility.

It is very important that the bishops join this necessary national support, according to the SNA. The text then refers to the nature of the reformed sector and the help given it, also by the agrarian reform process, and to the challenge faced by these new landowners to develop their abilities as businessmen, "a task the majority have passed with flying colors."

## Reply

The Director of the National Rural Pastorate Institute, Father Federico Hegarty, stated that, contrary to what the SNA says, the Rural Pastoral Letter does not mean that the bishops were used politically.

"This work was in preparation for a long time, with consultations with technicians and peasants, and we sought basic subjects, so it seems hard to believe, considering all that, that we were politically used," he stated.

Speaking of the terms "partial, superficial, and incomplete," which the SNA document attributed to the letter, he stated that it might have seemed so due to brevity of the letter, since because it was directed toward the peasant population it was not practical to write a tract.

In any case, he gave his sanction because the SNA had replied calmly to the Pastoral Letter, and because there are points of common interest between the two documents, such as the concern for the living conditions of the minifundio landholders.

At the same time, he noted that a dialog with the SNA would be enriching for both sides, and would help unite views when the sources of the facts are different.

With respect to some technical considerations in the SNA report, he stressed that investment in the peasant sector is not as large as it is said to be, and the same is true of the job sources in agriculture.

"The basic difference," Hegarty specified, "is that by and large the SNA is furnishing statistics and studies which, though important, are only one aspect of reality.

"On the other hand, we pastors have an obligation to notice if, for example, people are afraid or hungry, which gives us a view of reality based on Christian teachings."

8587

CSO: 3010

## CASTRO ADDRESSES CENTRAL COMMITTEE ON ECONOMIC PROBLEMS

Havana GRANMA in Spanish 5 Dec 79 p 1

[Text] The Ninth Communist Party of Cuba [PCC] Central Committee Plenary Meeting took place last 28 November.

The Ninth Central Committee Plenary Meeting made a detailed examination of the status of preparatory work for the Second Party Congress scheduled to be held at the end of next year. The report on compliance with the timetable approved by the Central Preparatory Committee, as well as the rules which will govern the highest party meeting, among which are those for the election of delegates, representatives to the assemblies at every level, and the numbers of candidates for members and alternates of the provincial municipal and work center committees, were analyzed and approved.

Also approved in the plenary meeting were the guidelines for emulation honoring the Second Congress.

A resolution on the airing of criticism via the mass media was examined and approved. Its contents will be published soon.

The plenary meeting also approved a report on the work performed by the National Control and Review Committee.

The plenary meeting ratified the decision by the Political Bureau of releasing Central Committee member Comrade Raul Valdes Vivo from the position of member of the Central Committee Secretariat. He was subsequently appointed representative of our party to the Editorial Council of INTERNATIONAL MAGAZINE with headquarters in Prague.

The Ninth Central Committee Plenary Meeting heard and approved a report on the economic situation of the country and on the degree of fulfillment of the National Economy Plan in 1979, as well as on the various difficulties encountered in its execution. Also examined were the situations foreseen in the coming year and the lines which must be followed in the preparation of budget figures for the 1980 National Economy Plan to be presented for the approval of the next session of the People's Government Assembly.

In this latter aspect, a number of limitations are foreseen, determined by a sugar harvest which will be affected by reduced amounts of sugarcane available due to the presence of sugarcane rust disease in some areas and to other factors which negatively affect its cultivation, by problems in insuring procurement of some basic products from abroad caused by difficulties facing the supplying countries, to which is added the constant and increasing rise in prices of articles we must acquire in the capitalist area.

As a result, the guidelines to follow are those of concentrating available resources to insure the basic needs of the people, primarily food, for which the highest possible level of compliance with established distribution norms must be guaranteed. A special effort must be made in obtaining a substantial and stable increase in the supply of root vegetables and vegetables, for which purpose the resources required must be insured, included those having to do with containers and transportation. Other unsatisfied needs must also be filled, needs such as those having to do with services to the population, particularly the repair of electrical household appliances and urban transportation--primarily in the city of Havana--which should show a significant improvement as of the coming year.

Constructive efforts must also be concentrated on completing initiated projects and no new initiations of projects should be planned unless they are fully justified cases, placing a particular emphasis on tasks of maintenance and repair of roads, schools, buildings in general and housing, for which purpose there will be a significant increase in the resources assigned for this purpose to the enterprises of MICONS [Ministry of Construction] and the People's Government, and an increase in direct sales of construction materials to the population will be effected.

The plenary meeting makes an appeal to all bodies, enterprises and other work centers of the country, as well as to the workers of the various sectors and branches, particularly those having to do with priority activities mentioned before and with other basic areas such as those linked to the production of export goods, to make a maximum effort to use existing resources with the greatest possible efficiency and to work organizedly, complying strictly and with discipline with regulations established by the Economic Management and Planning System, which is in a gradual process of implementation.

The following objectives are of primary importance: that there be no surplus or idle resource in one place when it is needed at another; that there not be more workers in a work center than those required by the production plan based on norms which result in an increase in labor

productivity; that workers temporarily available in a center be transferred to places where they are needed to insure planned objectives; that the transportation of products be speeded up and losses be reduced; that quality of production and services be improved; that administrative leaders and officials perform their tasks with complete responsibility, being demanding and active in their performance, particularly with respect to themselves, facing difficulties which may present themselves in the execution of a plan with determination and initiative and acting with all severity towards negligence, apathy, indolence and irresponsibility.

The closing speech of the Ninth Central Committee Plenary Meeting was made by the first secretary of the party, Comrade Fidel Castro, who focused his speech on the immediate tasks for the continuing strengthening of the internal life of the party and explained and laid the foundations for the policy to be followed in confronting the difficulties of the time in our economy and in resolving the problems deriving from shortcomings of a subjective nature as well as from errors, neglect and irresponsibility.

Comrade Fidel Castro emphasized the need for adopting a number of measures which will respond to an in-depth study of existing labor legislation, the authority they should have and the responsibilities to be assumed by officials and administrators. The first secretary of the Central Committee emphasized the need for examining and improving existing wage regulations as well as all those rules which practice shows are inadequate and which even lead to labor indiscipline or are ineffective for fighting antisocial and criminal manifestations.

Comrade Fidel Castro urged the waging of a battle against existing shortcomings, against shortcomings of organizational type and ideological weaknesses which translate into obvious signs of slackening, indiscipline and loss of authority.

In this context, the first secretary of the party called for the promotion of criticism and self-criticism within the party, the UJC [Union of Young Communists] and mass organizations for strengthening the integrity of the party, the leaders and cadres of the party and the state, and of all the revolutionaries.

In this respect, Comrade Fidel Castro finally referred to the need to be alert against all manifestations of enemy activity; to clearly differentiate between the revolutionary criticism of the masses and the lies promoted by soft or counterrevolutionary persons with petty bourgeois minds, who are interested in harming the prestige and authority of the revolutionary cadres or militants.



The Ninth Central Committee Plenary Meeting approved the statements made by the first secretary of the party and agreed that his speech was the basis for the activity of all the agencies and institutions of the party and state. City of Havana 5 December 1979 "Twentieth Year Since the Victory."

8908

CSO 3010

# SOVIET MILITARY SPECIALISTS MEET ACADEMY OFFICER GRADUATES

Havana GRANMA in Spanish 3 Nov 79 p 3

[Article by Roger Ricardo Luis]

[Text] A meeting between Soviet military specialists and Cuban officer graduates of the Senior Service School of the CPSU Military-Political Academy imeni V.I. Lenin and the Frunze Academy [Military Academy imeni Frunze] was held yesterday afternoon in the Central Building of the FAR [Revolutionary Armed Forces] in this capital in honor of the 62d Anniversary of the October Revolution.

The opening remarks were made by Lt Col Orlando de la O Navarro, of the Central Political Directorate of the FAR, who said that this meeting expresses the profound respect, admiration and affection of the combatants of the Revolutionary Armed Forces for those who have been able to transmit their political-military knowledge during the last few years and to establish a solid base upon which the power of the FAR reposes.

He said that the knowledge acquired in Soviet academies and schools by our senior and junior officers is comprised not only of a scientific base but also of our ideology, because both are indissolubly united. He emphasized that cooperation with the USSR in the training of political-military cadres is unlimited in scope, as is the friendship between the two peoples, parties, armed forces and governments.

Two reports were given during the meeting, the first dealing with the application of the knowledge acquired by the graduates of the V.I. Lenin Academy and the Senior Service School of the CPSU in the FAR military training centers. This report was given by Frigate Captain Manuel Martinez Jona, a doctoral candidate in the field of social sciences.

The second report covered the subject: "Application of the Knowledge Acquired by the Graduates of the CPSU Senior Service School, in the Field of Work With Troops," and was given by Frigate Captain Gonzalo Gonzalez de la Haza, head of the MGR [Revolutionary Navy] political section.

Speaking on behalf of the Soviet specialists was Lt Col Yuriy Lopukhov, a doctoral candidate in economic sciences and graduate of the V.I. Lenin Academy, who made reference to the significance of this high center of senior studies which in December will mark its 60th anniversary. He also spoke about the spirit of love for study and research which characterized the Cuban officers during their stay in that institution of studies.

The summary remarks on this meeting were made by Frigate Captain Eladio Calvo Gonzalez who said that this ceremony is one of the many activities of our people, and of the FAR as a part of the latter, to honor the 62d Anniversary of the Great October Socialist Revolution.

He said that this kind of meeting is important to point up application of the experiences acquired in the Soviet academies and schools by those who today have the high responsibility of transmitting them or implementing them in the FAR.

He stated that it is necessary in meetings like this to give full credit to the role played by Soviet schools and academies in the training of FAR political and military cadres, because precisely that which has been accomplished by our Revolutionary Armed Forces is indissolubly linked with the teachings of our Soviet brothers.

8143

CSO: 3910

## ETHIOPIAN PRESIDENT SPEAKS TO STUDENTS GOING TO CUBA

Havana (UPI) in Spanish 9 Nov 78 p 2

[Article by Victor M. Carrera]

[Text] Addis Ababa, 9 Nov (UPI)—Haile-Mariam Mengistu, chairman of the Provisional Military Administrative Council of Ethiopia, met today with 1,200 young Ethiopians who will soon leave for Cuba to continue their studies.

The group is made up of young people whose ages range between 9 and 16 and who were orphaned during the war of aggression launched against Ethiopia by Somalia in 1977. The students will be enrolled in the Karamara and Haile-Mariam Mengistu schools of the Isle of Youth.

In a brief farewell speech to the students, the chairman of the Administrative Council said that this opportunity being given to the group of young people to study in Cuba "is not a mere gift or a charitable action, but rather, a reward for sacrifices made by their parents in defense of their homeland and the revolution."

He later spoke about the educational situation before the triumph of the revolution in 1974 and recalled that at that time, only the sons of the ruling class had the possibility of studying abroad and even of enrolling in the national schools.

He pointed out that the Ethiopian students already in Cuba and those about to leave for that country constitute a force that in the future, when they return to Ethiopia, they may pass on their knowledge to other young people.

"You must remember that this opportunity being given to you to study does not signify a contribution to your personal future, but rather, an opportunity that will benefit the millions of young Ethiopians," Haile-Mariam Mengistu said.

He went on to say that he is extremely pleased by the progress being made by Ethiopian students already in Cuba, and added that the young people about to leave "will not feel like foreigners on their island in the Caribbean."

he told the students that during his recent visit to Havana during the Sixth Summit Conference of Nonaligned Nations in September, he visited the schools of Ethiopian students on the Isle of Youth and was able to reaffirm his joy in the success of those young people.

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Qtr: 3010

# PRC'S OPEN DOOR TO CAPITALIST INVESTMENT CRITICIZED

Havana BOHEMIA in Spanish 2 Nov 79 pp 74-75

[Article by Teresa Mederos]

[Text] The methods China has adopted to favor investment of foreign capital in mixed enterprises, the obvious purposes of his visits to four European countries by Premier and Chairman of the so-called Chinese Communist Party Hua Guofeng, and the decision of President James Carter to ask Congress to grant that Asian country "most favored nation" treatment in trade relations are clear indications of the continuance of the policy undertaken by the post-Maoist elite of opening the doors to capitalist investment. The major result of the reorganization of Chinese economic structures to bring them into line with its foreign trade "strategy" can be seen in the recent establishment of the International Corporation of Credits and Investments, headed by former Chinese multimillionaire Rong Yireng, who was considered, before the People's Republic of China was founded, the second richest man in the country and later was deputy mayor of Shanghai and vice minister of the textile industry, until he fell into "disgrace" during the "cultural revolution" of the sixties. At present the former textile magnate is vice chairman of the Political Consultative Conference and of the Federation of Industries and Merchants of the Bank of China.

The new Chinese economy agency has a capital of 200 million yuan (about 40 million dollars) and is officially defined in the Chinese press as a state enterprise subordinate to the government, established to absorb foreign investment and technologies through the use of "economic laws and scientific methods." Its purpose is to make agreements with foreign firms for long and short term investments.

According to information received from Beijing, the new agency has agreements with one Swiss and three American consortiums for a total value of 180 million dollars, and more than 100 firms in the United States and the European Community have demonstrated their interest in establishing contact. China has also established an agency to furnish national publicity for foreign firms as part of the opening to western capital through the approval of the establishment of mixed enterprises.



In addition, Hua Guofeng's tour of Western Europe at the head of a commission of more than 40 persons has as its essential objective the establishment of deeper contacts in the economic and military sector. In France, his first stop, Hua signed with President Giscard d'Estaing three documents concerning the development of economic relations, one cultural agreement and another on the opening of new consulates in the two countries. As it turned out, China was interested in the acquisition of French weaponry, but it is not known whether any such ties were made firm.

In the FRG he also signed agreements for economic and cultural cooperation and the establishment of general consulates in Shanghai and Hamburg, respectively. However, the Chinese delegation made many contacts with industrial and commercial enterprises, which in the opinion of many means the expansion of already existing private Sino-West German contracts. From Bonn, Hua and his group went to London and from there to Italy, the last stop on the tour which began on 15 October and will end on 6 November.

China's economic ties with the Western countries to date, in the matter of state credits, have been strongest with Japan, with 10 billion dollars; next are France with 8 billion, England with 5.5 billion, United States, 3 billion and the FRG with 1.2 billion dollars. However, the Chinese side has made little use of these credits to date, and some observers believe this is due to Beijing's interest in investing them not only in the Chinese economy, but also in military supplies, a question which appears to be treated with a great deal of caution by investors.

As for the trade exchange, 1978 statistics reveal that Japan also occupies first place here (more than 5 billion dollars); Hong Kong is in second place (2 billion), the FRG, third (1.362 billion dollars) and the United States fourth, with 1.1 billion in the last 12 months, a figure which it is believed will rise to 5 billion dollars annually.

These possibilities may be expanded now, with most favored nation treatment for China imminent; this needs only the approval of a simple majority in the U.S. Senate within the next 2 months. This will mean an average reduction from 34 percent to 5.7 percent of tariffs on Chinese products in the American market, as well as several concessions to U.S. companies which operate in China.

But of course all this policy of opening the doors to investment and trade with the capitalist sector is in frank agreement with the opening of China in other respects, particularly its collusion with world reactionism in its belligerent and adventurist policy. During Hua Guofeng's tour, he never ceased his diatribes, now veiled, now direct, according to his host country, against the Soviet Union and the socialist camp, as well as his reiteration of the Maoist political line concerning the inevitability of world war.

## SCIENTIFIC, TECHNICAL AGREEMENT SIGNED WITH CAPE VERDE

Havana GRANMA in Spanish 19 Oct 79 p 3

[Article by Pedro Costa]

[Text] An agreement by the First Cuba-Cape Verde Intergovernmental Commission for Scientific and Technical Cooperation has been signed by Manuel Torres, vice president of the State Committee for Economic Cooperation, and Antonio Omar Lima, vice minister of transportation and communications of the brother country, at the Hotel Sierra Maestra.

Areas of cooperation included in the agreement are public health, education, sports, farming and livestock, transportation, communications, fishing, construction and culture, among others; the agreement will be implemented through technical assistance scholarships, training and the exchange of technical documents and of delegations.

After the signing of the document, Antonio Omar Lima expressed his gratitude for Cuba's aid to his country, and for the attention received by his delegation and the work developed in the talks, which began on 12 October. He also said that Fidel Castro's speech to the UN General Assembly showed the entire world the policy to be followed by the nonaligned countries for their development in the next few years.

Manuel Torres said that this cooperation agreement is nothing more than modest support offered by Cuba for the development of brother countries like Cape Verde, and this is the policy of our revolution, our government and our people.

Pelegrin Torras Meets With Antonio Omar Lima

Pelegrin Torras, vice minister of foreign relations, received Antonio Omar Lima yesterday morning.

During the meeting, which developed in a cordial and friendly atmosphere, ideas were exchanged concerning the progress of our bilateral relations. The visiting delegation expressed its satisfaction with the Cuban Government's decision to open a diplomatic mission in its country and expressed

its thanks for the warm and brotherly welcome extended it by Cuban leaders and officials during the visit.

Vice Minister Terras emphasized the importance Cuba places on the development of relations with Cape Verde.

8735

CSO: 3010

## INTERNATIONAL AUXOLOGY CONFERENCE OPENS IN HAVANA

FL121503 Havana Domestic Service in Spanish 1100 GMT 12 Dec 79 FL

[Text] The Second International Congress of Auxology [study of growth] was inaugurated last night at the Palace of Conventions in this capital by Jose Antonio Gutierrez Muniz, alternate member of the PCC Central Committee and minister of public health. In his opening remarks Muniz stressed the importance this commission has for Cuba because auxology is an advanced science in the health field and in both fields Cuba has made important progress allowing us to feel satisfied with holding this congress.

He pointed out that lately the study of this science has awaked a growing scientific interest and it is a source of information for anthropologists, biologists, sociologists, nutritionists, pediatricians and other specialists. He stated that the first international level [health] meeting to be held in Cuba in 1969, when it was agreed that we should carry out research on child growth and development. Today we can say that we have accomplished this. The minister said that the successes achieved in this field is the result of a collective effort among institutions, scientists and nations. In 1982 a second research project will be carried out to make comparisons with the present project and provide great usefulness for future projects.

Last night's meeting was chaired by Flavio Bravo and Jose Ramon Fernandez, vice presidents of the Council of Ministers Executive Council, Vilma Espin and Zoilo Marinello, members of the central committee, with this latter being minister-president of the State Committee for Science and Technology. Electra Fernandez, president of the Children's Institute. Other present included (James Tamb) and (Frank H inner), secretary and treasurer, respectively of the International Association of Auxology, and Jose Jordan, president of this congress.

CSO: 3010

## CONSTRUCTION MINISTER REVIEWS SERIOUS PROBLEMS, INEFFICIENCY

Havana JUVENTUD REBELDE in Spanish 31 Oct 79 pp 1, 6

[Report on TV program on topic by Maritza Barranco; interviews by Marcos Alfonso and Pedro Vinas; summary by Lazaro Barredo Medina]

[Text] Beginning next year, increasing amounts of building materials will be devoted to maintenance and direct delivery to the people. The decision has even been made to reduce the plan of new constructions drawn up for 1980 in order to earmark greater resources for that activity.

In order to solve the housing problem, some 100,000 housing units will have to be built every year for the next 20 years, which means an annual investment of 1 billion pesos. Achieving this goal means multiplying the production attained during the record year five times over. It has been decided to grant priority to housing construction over the next 5-year period. It will be the Ministry of Construction's area of greatest growth for the period. Because of its very nature, it is one of the most difficult problems to face.

At every construction cite, at every work center, wherever such activities occur, it is necessary to report the misappropriation of resources and the theft of materials, no matter who is doing it. Persons guilty of stealing or acquiring illicit materials from construction projects must be reported and turned over to the authorities.

Havana Central Hospital and the National Theater are two projects that are a source of embarrassment to us. We are done with the theater. We were able to complete it and it is now serving the people, but the hospital is still waiting. It presents a series of problems that have not been resolved. We are working on it, hoping to have it completed by 1981.

The problem of quality in construction is one of the most serious ones facing builders and the one which most affects the prestige of those of us who work in the sector.

Despite some modest achievements in the last 20 years, the situation of the waterworks and sewers is one of the main social and building problems that has not been satisfactorily solved. Beginning with the next 5-year plan,

the construction of waterworks and sewers will be one of the areas of greatest growth, with investments 50 percent higher than during the current plan.

Housing construction will be one of the top priorities over the next 5 years and it will be the Ministry of Construction's area of the most intense growth. This announcement was made by Minister of Construction Jose A. Lopez Moreno on Cuban Television's program "Public Information."

With a speech that from the very beginning changed the course of previous programs, the minister of construction faced the problems that will require greater attention due to their effect on the population and the economic and social importance of such construction.

Speaking about the acute housing situation, he said that it is one of the objective problems that has not been solved and he explained that based on the growth of the population, by the end of the year 2000, the need for housing will be on the order of 2 million units, implying an annual rate of construction of 100,000 units over the next 20 years. The investment will total 1 billion pesos.

In evaluating the construction policy followed to date, he indicated that the realistic decision had been made to grant priority to projects for medical care, education and development.

"At the present time," he said, "we have a different situation, since another contributing factor has been the growth of the production of constructions. At the present time, 45 days' production is equal to the annual production of 1958."

He gave an example: "Cement production has been increased five times over compared with that at the beginning of the Revolution, and we have also managed to achieve substantial increases in stone and sand, along with other new lines that did not exist previously, such as the production of sanitary equipment.

"This enables us to consider a new policy with respect to maintenance and the solution to this problem."

#### Policy of Maintenance and Sale of Materials to People

The immediate application of a maintenance plan was announced by Jose A. Lopez Moreno in response to numerous letters received, on the program "Public Information," where the people's concern was manifest.

Lopez Moreno explained that at the present time, officials are studying readjustments and reduction in the 1980 social construction plan in order to devote those resources to maintenance and the direct sale of building materials to the people.



In reducing construction capacity, it will be necessary to divert some of the labor force to other activities. In other words, brigades that are now building schools would move to the maintenance and repair of schools that are in critical condition.

Repairs are being contemplated in areas where existing structures are very dilapidated and together with the People's Government, officials would try to rehabilitate buildings that have fallen into disrepair with time. The minister warned of the need to be vigilant in detecting neglect of social property, which can be seen in new constructions that in a short period of time have been damaged by a lack of care. Such vigilance is not to be confused with maintenance.

As part of the plan, he said, one must take street repair into account. A plan of filling holes, maintenance and asphaltting will immediately begun on streets where buses travel. This plan will be gradually expanded.

#### Havana Central Hospital

When questioned about completion of the Havana Central project, Lopez Moreno emphasized: "This project and the National Theater are a source of embarrassment to us."

He went on to explain that both projects have been underway for nearly 20 years. The theater was completed for the activities of the Nonaligned Nations Conference, and it is hoped that the hospital will be finished by 1981. It will have a central tower 23 storeys high and over 940 beds. There will be an out-patient clinic and it is designed to be an institution of a high scientific level.

Another proposal made by the people through letters and telephone calls had to do with the system of waterworks and sewers. The minister responded by saying that that was another of the social and construction problems that had not been solved and on which work would begin immediately. He announced that for the next 5-year period, it would be one of the Ministry of Construction's programs of the greatest growth, with investments 50 percent higher than during this 5-year plan.

With respect to the waterworks, he outlined the situation that existed before 1959, when 114 areas enjoyed such service. At the present time, the number is 323, representing 90 percent of the urban population.

Concerning sewers, he said that only 41 percent of the urban population's needs were covered.

The volume of water supplied has increased two and one-half times, but this has been based on material possibilities. The minister cited as a factor favorable to the development of both systems the building materials industry's production of pipe.

Another aspect of interest taken up by Lopez Moreno had to do with the quality of drinking water. He said that at the present time, the level of purification is four times greater than in 1958, when there were only six purification plants. There are now 20 and they are adding chlorine to 90 percent of the water.

He went on to say that while modest work has been done in this area, the investment made is 460 million pesos aimed at meeting the needs of industrial and agricultural development, education and social projects.

Concerning districts in a critical situation, a plan to inspect and repair outlets will go into effect immediately.

The minister said that the minibrigades were one of the best labor forces in the field and added that in only 8 years, they had put up 69,000 housing units, a fourth of all housing built in the country. They have also completed other social and education projects.

"The minibrigades will be a decisive force in increasing the amount of housing we shall have in the coming years. They have an extraordinary future, with a gigantic task."

Within this framework, there are plans to build housing to meet the needs of the different cities. Other housing will be on state farms, sectors which it is impossible to form minibrigades or cases of disasters and other critical situations.

#### Quality of Construction

"Quality is one of the subjective problems facing builders and I believe that it is one of those having the greatest effect on those of us working in the sector."

Lopez Moreno said that technical specifications had to be obeyed and that technicians have been instructed to halt work on a project if there are violations of technical standards.

He added that it is necessary to put an end to the "Olympic marathons and finals" that often result from an inadequate supply of material, but also from a lack of organization and failure to do things in their proper order, which workers then try to remedy in a frantic final day of work, thereby hurting quality.

Lopez Moreno said that investors must require more of builders, give adequate supervision and reject projects that are not up to standard.

The minister later spoke of the damage caused by intense rain from Hurricane Frederick. He explained that three-fourths of the annual rainfall fell in 48 hours, which created critical situations in some zones. He stated that the situation at the airport was a case in point. The drainage

capacity had been increased, but not even that amount of cover could absorb the volume of water that fell.

On the matter of dams, he reported that the country's current reservoir capacity was 6 billion cubic meters of water.

There were only three dams in 1958, but we now have 120 which regulate our waterways, store water and channel it for the different needs of the population.

Responding to comments and speculation among the population, Lopez Moreno said that the dams were great regulators of water and that they prevented major flooding.

With respect to the work of the Sixth Summit Conference, he said that the water never reached the Convention Hall because of the drainage facilities and minidams in the area. He said that it had affected some of the houses set up for the conference, but that this was in very low areas and that it resulted from the large volume of water that fell.

He explained that the situation in the Ariguanabo and Boyeros areas, which were seriously hit by the hurricane, are being studied so as to find an overall solution.

Other topics taken up by the team of journalists representing national information media had to do with the high incidence of fatal accidents in the sector and the theft of materials that then circulate on the black market.

Concerning the former, he said that it had even been the subject of a criticism made to the ministry in a resolution of the eighth plenary session of the party's Central Committee. He added that despite certain attenuations, such as the high risk of various activities, the vertiginous increase in new personnel, mostly inexperienced younger workers, and so on, there is no justification for the high number of fatal accidents. He revealed the measures that have been taken. The most important ones are aimed at requiring that government offices raise the level of protective measures governing workers and at refusing to accept justifications or tolerance of irresponsibility in such cases.

Regarding the theft of materials, he explained that it is due to various factors, mainly the lack of strict control of projects, centers, enterprises and warehouses. Second, the proper conditions, such as fences and watchmen, do not always exist, and third, there are antisocial elements that take advantages of these circumstances.

Nevertheless, he said that the most important thing in preventing such theft, in addition to the administrative measures that can be taken and that are being applied, is the attitude of workers, party members and the UJC [Union of Young Communists] and trade union officials, who must be vigilant and report such incidents in order to turn the guilty parties

over to the authorities. "Anyone caught stealing, no matter who it may be, will be punished. The Revolution cannot tolerate such activities, no matter where they occur."

With respect to construction abroad, Lopez Moreno referred to work being done by over 6,000 construction workers in 11 countries and to the technical advice being provided in 6 more. Such work will be greatly expanded, for which purpose UNECA (Union of Caribbean Construction Enterprises) has been set up at the ministerial level. It will administer construction programs abroad.

Concluding the portion of the program devoted to questions from the panel because of time considerations, the minister introduced an innovation into the program: direct answers to letters or concerns reaching the ICRT [Cuban Institute of Radio and Television] through polls.

He specified that the three topics chosen were perhaps not representative, but that since it was a question of concerns expressed, he wished to answer them.

The first had to do with the fact that those in charge received building materials more easily than workers did. Second, it was stated that when visitors were expected, the fronts of houses were painted while the inside went without repairs. Third, a letter was read from Las Tunas referring to deficiencies in services: "...which only the people have to put up with, because the ministers do not have to suffer from or see what the people bear, the mistreatment to which people are subjected, the carelessness with which services -- inadequate themselves -- are rendered. Who are the victims? The people, not our comrade ministers...."

In responding to the first complaint, Lopez Moreno said that he assumed reference was being made to cases of special favors and false friendship and that as he had stated in another part of his speech, the Revolution does not tolerate such situations. Leaders and officials do not have special privileges because of their posts and such incidents should be reported where they occur.

With respect to the second matter, the minister said that it is not a policy of the Revolution, that the situation occurred for two reasons: due to a lack of adequate resources and the desire to be hospitable toward visitors, as is the tradition in our country. He added that he agreed that the solution was not the best one to be found, but that our possibilities do not always permit anything else. When a visitor arrives, the people want to show off their pretty city; that was the only reason.

Concerning the letter from Las Tunas, he said that as a matter of principle as a revolutionary, he understood the problems of the people. As a man who sprang from them, a man imbued with the ideology of the working class, he could not overlook or sidestep the central issue contained in the letter.

He said that all the ministers do is to try to respond to the most urgent needs of the people in order to raise their cultural level and satisfy their aspirations. "It is true that a minister has different working and living conditions because of the post he holds. They cannot be like those of the workers, although basically, we do suffer from the same problems that affect the people....

"It is equally true that in some places, there may exist problems with leaders and officials who, because of their posts, take advantage of them to obtain favors and privileges, which they display and consequently irritate the people. The Revolution does not tolerate such situations, no matter where they occur, and it will take vigorous action to eradicate them."

### 20 Years in Construction

In summary form (he only needed 5 minutes), Lopez Moreno painted a picture of the work done by the Ministry of Construction during the 20 years of the Revolution, using the principal indicators.

With respect to the labor force, he said that there had previously been 83,000 workers. The figure is now 400,000, of which 300,000 are Ministry of Construction workers.

Construction production is six times greater and amounts to an average of 1.3 billion pesos a year.

With respect to the industrialization of construction, by way of example, he said that in the last two decades, different projects have been undertaken amounting to some 10,853,000,000 pesos, equivalent to a production rate of 1.5 million pesos a day.

He also reported that 1,058 new industries have gone into service and that by the end of 1980, dam capacity will be 125 times greater than it was in 1959.

Moreover, the Central Railroad is being modernized. With 1,130 kilometers of rapid track, it will link the cities of Santiago de Cuba and Havana. The National Highway is being built to link Pinar del Rio and Guantanamo.

In the area of school construction, growth has been more than 50 times the amount allocated in 1958, with 200 million pesos being devoted to such projects annually. Over 1,500 such projects have been completed.

Concerning public health, the availability of outpatient clinics has doubled compared with 1958 and the number of hospitals has tripled.

Because of this growth in construction, it was necessary to develop the building materials industry, which is 3.5 times the size it was before the Revolution.

## Viewer Reactions

Nilda Valdivia, construction worker: "I believe that it was extremely important for the minister to speak about completion of the hospital. People were already saying that it was going to be turned into a hotel. Those of us who are working on the job needed that kind of concrete answer."

Miguel Linares, engineer: "Problems were taken up in a critical fashion. The matter of quality is something that clearly hurts the prestige of the builders. Technical supervision has grown lax. In my opinion, the proposal with the greatest impact was to give the people materials and the repair plan that will be undertaken."

Victor Griffith, construction worker: "The decision to give the people building materials was an announcement of great importance. It will help to rehabilitate houses and buildings that are falling apart because of a lack of repairs. It will also check the black market. The program dealt with fundamental problems in a critical manner and provided solutions."

Maria Fajardo Martinez, CDR [Committee for the Defense of the Revolution] member: "The answers given by the minister were clear and decisive, not wishy-washy, above all for those of us who have in some way been personally affected by the problems. If there is no cement or if there is some problem with the waterworks, at least now we have the necessary information and the hope that the problem will soon be solved. There is a need for such programs."

Jose Antonio Cubilla, People's Government clerk: "This program -- it was the first time I had seen 'Public Information' -- was critical in analyzing problems of the construction sector. The program accomplished its purpose: It informed the people and kept them up to date on what is happening. Above all, it told us where we are going."

Jose Criado, retired: "Look, I am a retired construction worker and what the minister said about providing materials to repair homes is very good. Sometimes you don't have cement and they ask up to 10 pesos for it on the black market. We have to put an end to this once and for all and give people the means to make repairs. I really liked the program."

Blanca Orozco, housewife: "I think that all the questions were answered, especially those having to do with problems directly affecting the people. In this way, one can be informed and learn about the work done by the ministries."

Ramon Lasena, machine tool technician: "I think that the minister was very critical and called a spade a spade, without any justifications. The program's solution is not bad because it gets rid of many doubts we have. This 'Public Information' program was better than previous ones and it hit upon an issue that hurts us: housing maintenance and the construction of new housing."



Ramon E. Gonzalez, leader: "I believe that Minister Lopez Moreno was clear in his answers and that he responded in a critical spirit to the questions from newsmen, above all those directly affecting the people: housing, maintenance. Furthermore, the program moved right along and the introduction was done away with, making it possible to handle more questions."

Narciso Gonzalez, retired transport worker: "The future delivery of cement and other building materials was something they should have done long ago. I am a delegate from district 7 in the municipality of Cerro and this problem of repairs is what most affects all delegates because there are repairs that could be fixed with two bags of cement but that end up needing 10 or 20 because they are neglected. I think that the minister got to the bottom of the problems and the answers satisfy the concerns of all the people."

Nelson Antonio Rosado, worker in the central headquarters of INDAF [National Institute of Forestry Development and Exploitation]: "The problems hurting the construction industry: absenteeism, theft, poor quality, inefficiency, all occur in other sectors and I can understand why the minister was critical and pointed out the problems. The people now want concrete measures and they want to call a spade a spade because they more or less know about the achievements. In general, standards have not been very high and we may all have contributed to the many mistakes."

Angel Cervantes, worker at the Western Shipping Enterprise, Ministry of Transportation: "'Public Information' showed that the officials are part of the people and do not live in the clouds, as some might think. I understand the tone of the program: critical, truthful, objective. No one wants apologetic programs and the people deserve to be informed, without halfway measures. What is bad is bad and anyone who sees something wrong and does not do anything about it or does not report it is just as guilty as the person involved."

Oscar Visjedo, technical information worker from the State Construction Committee: "Of the different topics discussed by Lopez Moreno, I was very interested in the question of quality, which is critical in this sector. Technicians must all do their job and follow their instructions. We accomplish nothing by putting up poor constructions, without following technical standards, because we would later find flaws that would worsen the current materials situation. In my opinion, this is a fundamental question."

Jose Navarro, retired culinary worker: "This program was necessary and it should get better and better. It clarifies many things that the people do not understand and this way, with information from the ministry, with things explained well and honestly, if anyone does not understand, it is because he does not want to. This is also a way of pulling the rug out from under those who act in bad faith, who talk for the sake of talking. 'Public Information' explained all the things that hurt the construction sector and the possible measures for eliminating them."

Angela Ricardo Rodríguez, nursery school teacher: "This type of programming helps to guide us with respect to the main problems we face. The letters sent in by the people were answered seriously and in a critical spirit, as were the newsmen's questions. The people must know about achievements and setbacks, as well as about solutions to these problems."

#### What the People Expect From the Program

The third broadcast of "Public Information," with the appearance of the minister of construction, concentrated on precisely what the people expect of this monthly television program: facing their precise worries and concerns.

The very fact that the program began directly with questions from the people and eliminated the introductory portion is an innovation that we would suggest continuing in programs to come. As was shown in the dialog with newsmen, we have not lost our retrospective view of these 20 years. Many of our achievements must be compared with the past and in the final minutes of a broadcast, this information can be given as additional elements, as was done on this occasion.

It is a fact that in order for the program to meet its objective -- and as Lopez Moreno himself said, it is not doing so adequately -- the individual and the community must see themselves reflected in the message. In this case, what the people want and need is information about problems affecting them and about governmental measures that are being adopted or that will be adopted in order to solve them.

Another very positive aspect was the concrete analysis of the principal objective and subjective incidents present in the sector, without excuses or "flowery" explanations, incidents which, when explained in this fashion, the people can understand because the very root of the problem is being attacked.

This is the case with the approach taken to housing, maintenance, water-works and sewer problems, to mention a few.

These are problems that have not been resolved, but it was necessary to choose between the development of the economic and social foundation or a partial solution of our needs, without looking to the future.

The program also went directly to the causes of poor quality of construction. These are truly subjective factors affecting the prestige of builders who, because of the need to complete their work, violate technical standards. The urgent need to reduce the number of work accidents was discussed and convincing explanations were given of what must be done by workers on the job and the highest officials of the ministry.

Another change introduced by Lopez Moreno was that of answering certain letters from citizens directly. This is another positive element that

should be continued in coming programs so that distorted information or rumors which irritate the people and create uncertainty may be clarified.

In the opinion of the vast majority of the viewers, "Public Information" left a highly satisfactory impression last evening.

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ECONOMIC DEVELOPMENTS: AUTO IMPORTS, TOURIST INDUSTRY

Argentine Vehicles Import Resumed

Buenos Aires LA NACION in Spanish 20 Nov 79 p 13

[Text] According to Fiat Concord, Inc, the first contract has been signed resuming exports to Cuba, within the framework of the Argentine-Cuban economic cooperation agreement, which was recently extended with the concurrence of both governments.

The company stated that the contract involves the supplying of 100 Fiat 697 N trucks and spare parts worth about \$4.5 million, adding that this is the first of a series of operations under study, the firming up of which will depend among other things upon the relation between domestic costs and the rate of exchange, which at present is unfavorable to Argentine products.

The contract was signed by the director general of Fiat Diesel, Inc Argentina, Angel Ridolfo, and the commercial counselor of the Cuban Embassy, Humberto Campos, Valdes. The ceremony was attended by the secretary of Trade and International Economic Negotiations, Dr Tomas de Estrada; the economic and commercial counselor, Dr Honorio Pueyrredon; and the head of the Latin American and Caribbean department, Julio Hartstein.

US\$240 Million

It was learned that this new contract will bring the total transactions between Fiat and Cuban state enterprises to about \$240 million for the supplying of 5,049 trucks, 1,000 tractors, 6,000 automobiles and 320 railway vehicles.

Tourist Industry Foreign Exchange

Havana GRANMA in Spanish 9 Nov 79 p 22

[Article by Alberto Pozo]

[Text] At first glance, this report may seem exaggerated to you; however, when you analyze it, you will find it quite logical: a luxury hotel such as the Nacional, can bring in as much convertible foreign exchange per year as a sugar mill.

We can extend our analogy to the tourist industry which, efficiently managed, can become a second sugar harvest. And current revenue categories such as fishing and mining in a short time will be surpassed, provided we are able to offer increasingly more efficient service; i.e., we match international standards which are quite well known.

A large part of the efficiency of a tourist industry--we must underscore this--depends on the service provided by hotels, restaurants and bars. And such service depends basically upon the attitude of the person providing the service, a positive attitude whose image, however, is wiped out in a minute by carelessness. Tourist service is such a delicate commodity!

To maintain this positive attitude which is conducive to efficient service, the negative connotation of capitalism's servant is excluded--some persons are already making this mistake. What is involved instead is disciplined and courteous behavior which, rather than demeaning the human being, elevates him, exalts him and earns for him the admiration and respect of the patron. And this modus operandi is quite within the standards of service approved by our Ministry of Domestic Trade, the organization which has authority over the hotel, restaurant and bar service sector.

Such standards are not something special as regards international tourism but rather they are equally applicable to this kind of service throughout the country. It is doubtless an accomplishment of the Minister of Domestic Trade and the People's Government to have this normalization, as such is not the case with most of the country's activities. Unfortunately, normalization is one of the tasks which have lagged the most in our system of Directing and Planning the Economy.

It is worth sounding an alarm. The fact of the matter is that in some cases it is customary to give more painstaking service to a foreigner precisely because we are in the position of seekers after convertible foreign exchange which we so desperately need for our socioeconomic development. However, there is no contradiction at all between this and the service which should be given to our people who deserve the greatest possible efficiency.

With a view to lifting the quality of hotel, restaurant and bar service, the INTUR [National Institute of Tourism] is in the process of holding its first technical meeting, similar to the kind already held by the People's Government with its network.

Another central objective, in our opinion, the most important, is to dignify the hotel, restaurant and bar service profession, giving moral and material recognition (insofar as we can) to the best workers. And we say it is the most important objective for us because the truth of the matter is that up to now this profession, which requires great physical effort, has not been given the recognition it deserves; however, above all, there is a need for special sensitivity which the workers very properly describe as an art.

It is true that our experience up to now; i.e., that of the People's Government, seems to be giving good results; and logically, this is as it should be. However, since it is a question of improving ourselves every day in the hotel, restaurant and bar service sector, as in all activities, let us not forget that for a person to continue being a good worker, it is best that he feel there is superior control.

By this we mean that it is necessary to increasingly develop a supervisory service which will continually check on the enterprises. However, after that, measures should be taken to eradicate deficiencies. In other words, in accordance with regulations--everything is in writing!--requirements should be imposed in an increasingly objective and scientific manner.

In connection with these meetings, of which we have been the champions, leaving modesty aside, we continue to insist that the final evaluation of the provinces (in the People's Government) and of the enterprises (in the INTUR) should feature a survey which brings to light the real performance of the enterprises during the same period of time in which the meetings take place. That is to say, we do not solely place our trust in what is accomplished by the specific tasks of the meeting but rather in the "concrete manner" in which the patron is met in the network of the People's Government or in the INTUR enterprise.

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## WORKER ABSENTEEISM, IRRESPONSIBILITY HURTS BUS SERVICE

Havana GRANMA in Spanish 9 Nov 79 p 3

[Article by A. Shelton]

[Text] According to calculations based on statistics, work absences at the La Lisa Terminal, the largest in the capital and the country, result in the fact that every day, between 25,000 and 30,000 persons who would use the services of the different runs originating from that important urban transportation base in the capital are left without rides.

The figure is more striking when one realizes that the study took into account only the effect of daily absences corresponding to a single department of only one of the 19 bus terminals operating in our capital. Furthermore, the proper administrative measures have not yet been taken to punish these absences.

In other words, at the present time at the terminal in question, work absences in the shops constitute the main subjective factor which objectively conspires against the rendering of more efficient service.

This analysis was made by a GRANMA reporter at a meeting called by enterprise officials with all administrative and political personnel at the center. In order to reach the foregoing conclusion, officials examined these elements:

Under existing conditions and with the current material limitations, if qualified repair shop personnel would arrive at the work center on time, the terminal would have 25 or 30 more buses a day, which would greatly increase the existing transportation capacity, considering that a bus makes 10 runs on every work shift and that on every one of the runs, it can carry at least 100 persons at any hour of the day.

At the present time, platform absences (drivers) amount to 12 or 15 a day, but since the workshop does not increase the number of buses in circulation, it sometimes happens that it is the drivers who have to wait on the mechanics to begin their work.

To give a recent example, on 5 November, only one mechanic and one assistant from the future or minor repair crew, which, according to the roster, is made up of nine workers. However, what is even worse is that after only 10 minutes, both men left, meaning that the entire crew was gone. Naturally, the public had to suffer the consequences at the bus stops.

In investigating the material conditions at the workshop, Emilio Zangroni, new administrator of the center, called them good and with sufficient capacity to perform the work generated by service from the terminal. There are five stations for minor mechanical repairs, three for overall repairs, three areas for sheetmetal work, two for tires and another for electrical work. There are three 8-hour shifts.

Independently of existing limitations on spare parts, tires, batteries and the proper tools, it was noted that the major problems in the workshops are caused by a failure to make proper use of the work day. The figure for recent months is between 50 and 65 percent.

The operational plan at the terminal is 3,252 runs per day. In recent months, the average has been 1,900, meaning that some 1,362 trips are not made per day. This results in the fact that every day -- and in this case, for objective and subjective causes -- over 136,000 users on routes 22, 28, 34, 40, 66, 84, 90, 91, 96, 98, 180, 184, 187, 189, 198 and 200 have no transportation.

In making a thorough investigation of the problem, we were able to learn that there is a record of laziness and an alarming lack of strictness. Carlos Blanco, a mechanic's assistant, has the following unexcused absences on his record this year: 4 in January, the entire months of February, March, April and May, 15 days in June, 22 in August and the entire month of October, for a total of 184 absences in 9 months.

Carlos Blanco's dossier shows a single penalty, consisting of a warning from the Labor Council to which the administration sent him only twice.

But that is not all. In October 1978, this "champion" of absenteeism stole a bus from the terminal, as a result of which a report was filed with the seventh unit of the PNR [National Revolutionary Police] in La Lisa, based on statement No 2281 dated 27 October 1978. To date (the incident happened over a year ago), he has continued to work normally at the center, with his habitual absences.

Another truly alarming case involves Ismael Pino, evaluated as dispatcher A. He was ordered dismissed from the center and the sanction was ratified by the Labor Council for authorizing payment to a driver who did not work even when there were buses available. His record also shows repeated absences.

In February of this year, the Labor Council ordered that he be dismissed from the center and the defendant then expressed his protest. The

administration then had to begin a new trial, this time at the municipal level, where the sanction was again confirmed. The accused then appealed to the People's Provincial Court, which also upheld the punishment, this time without appeal.

Nine months passed between the time of the serious violation committed by Ismael Pino and his punishment. During this time, he continued to work at his job, while committing new violations of discipline and practicing absenteeism with impunity.

This year and up until September, there were a total of 7,775 unexcused absences. Of these, 4,336 correspond to drivers and 3,419 to workshops.

Absenteeism is even greater on weekends, as was the case in October, when 359 absences were reported on Saturdays and Sundays, paralyzing numerous crews. Hundreds of runs were not made and thousands of passengers had to devote their free time on their days off to waiting at bus stops.

Meetings are now being held at all bus terminals in the capital, with the assistance of the enterprise's management council. The meetings also have the active participation of all administrative and political personnel from the center in order to examine in detail every failing and immediately adopt measures leading to its eradication, vigorously taking responsibilities away from those who do not deserve them.

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CSO: 3010

## BRIEFS

OCLAE BACKS GUATEMALAN PEOPLE--A call to intensify solidarity with the people of Guatemala, directed at all its member student unions and friends in Latin America and to other progressive and democratic forces of Latin America and the Caribbean, was made public here by the Permanent Secretariat of the Continental Organization of Latin American Students (OCLAE). The statement seeks to increase support for that Central American brother country and especially for the Guatemalan students who are fighting against the fascist oppression of the government and its paramilitary gangs, faithful servants of imperialism and the national oligarchy. This day of solidarity coincides with the 35th anniversary of the mass movement which ended the opprobrious regime of Jorge Ubico and with the first anniversary of the cowardly murder of the secretary general of the Guatemalan University Students Association (AEU), Oliverio Castaneda de Leon. [Text] [Havana JUVENTUD REBELDE in Spanish 22 Oct 79 p 4] 8735

EDUCATION TALKS IN MOZAMBIQUE--Maputo, 23 October (PL)--Cuba and Mozambique have begun talks here concerning bilateral cooperation in the area of education. Asela de los Santos and Graca Machel, ministers of education of the two countries, head the delegations which are now meeting. Speaking during the opening session, Graca Machel praised the friendly and cooperative relations between the two peoples. The Mozambique information agency, in a commentary released today, emphasized the large increase in that cooperation during the last few years, especially in the training of workers and in education. On the basis of the Treaty of Friendship and Cooperation signed in 1977 by Presidents Fidel Castro and Samora Machel, 1,200 Mozambican students are now studying in Cuban schools, and several hundred workers from that African nation are specializing in the construction and sugar industry areas and in education. [Text] [Havana GRANMA in Spanish 24 Oct 79 p 5] 8735

CSO: 3010

ARCHBISHOP, OFFICIALS INTERVIEWED IN SPECIAL REPORT

Mexico City EL SOL DE MEXICO in Spanish 12 Nov 79 pp 1-A, 10-A, 12-A

[Article by Roberto Aguilar]

[Text] Managua, Nicaragua, 11 Nov (OEM)--A little more than 100 days after its triumph, the Nicaraguan revolution against the Somoza dictatorship is in danger: hunger threatens the population, unemployment is increasing, there is speculation in basic products, the treasury is empty and the hatred generated by the violence has spread even to the children, while the leaders of the country are still debating over the "way"--whether socialist, Marxist or nationalist--to be taken by the nation.

As a consequence of the civil war, unemployment has doubled in the last few months, and while in the rural areas 32 percent of the population is economically active, open unemployment in the cities is more than 25 percent, it was confirmed here by Pierre Penalba and Noel Sanchez, officials of the Department of International Agencies of the Reconstruction Fund.

Both indicated that unemployment in the rural areas will increase in the first quarter of next year. Many farmers have not put their crops in because of the uncertainty.

Seventy-five percent of the cotton crop, one of the principal export products, remains unplanted.

Moreover, beans, the traditional product for popular consumption, are scarce.

"The Nicaraguan campesino is accustomed to eating beans, but many will not even have those," the officials stated.

The rise in prices is indiscriminate. Some consumer articles have increased more than 120 percent in price, and there is open speculation in them.

One has to buy in the three markets of this capital city, but the prices are prohibitive.

"Never before has such a sharp, spiraling increase in prices been seen. We are facing a criminal activity," said Pedro J. Blandon, director of the National Basic Products Enterprise.

During the last week, meat jumped from the equivalent of 45 Mexican pesos to 69, which for many people represents more than several days' work.

Last week harvesting was begun on an estimated 35,000 quintals of rice beans which, along with shipments sent by the European Economic Community, will help to maintain prices.

But no one is deceived. This will only serve as a palliative. For this reason, people are saying that if famine comes it will be next year.

Those responsible for the economic programs are considering the expense involved in importing basic products in the first few months...and their chief problem is in obtaining sufficient money to purchase, even though it is evident that there has been a great gesture of international solidarity in giving aid to the devastated country.

The Sandinists are creating "defense committees" in each block, and the problem of prices is being used to draw into the movement hundreds of malcontents who see accusations against abusive merchants as a way of being able to help themselves.

For some, the way the country should take is to radicalize the Nicaraguan revolution to achieve the proposed objectives.

"In reality, what we hope to achieve with this radicalization, more than Marxism, is a Sandinism which will offer truly nationalist solutions," stated Dr Alvaro Arguello Hurtado, director of the Central American Historical Institute of a university.

"The revolution must favor the great masses. It must be the response of an exploited people who went to war to achieve their freedom."

However, in the opinion of Abel Calero of Radio Sandino, it is still impossible for the workers and peasants, the great masses of which Arguello speaks, to come to power, since there are no historical conditions.

And he warns: the counterrevolution is here. It comes from the ultraleftist as well as from the bourgeois sectors, who will not accept a radical change in their lives.



Arguello, speaking of the Marxist elements existing within Sandinism, assures us that Marxism must be nothing more than an ideological framework for a revolutionary process which was needed to act against the national and foreign bourgeoisie.

What role does the church play in this mosaic of conflicting ideologies, which either reject each other or seek to unite?

Osvaldo Mondragon, a Catholic priest, is clear on one point:

"One cannot proclaim God without giving a piece of bread." For this to be possible it is necessary to incorporate the revolutionary process into the Christian and non-Christian sectors.

Meanwhile, for Alfonso Rovelo Calleja, a member of the National Reconstruction Government Junta, there is no road other than socialism.

He defines it as "a socialism which respects justice, freedom and order. For this reason we refuse to copy foreign models, and the solutions which we are bringing and will bring are of a nationalist cut."

Robelo [sic], leader of the Nicaraguan Democratic Movement, reiterates that the changes must be deep and radical.

However, while the leaders debate over the course of the country, over the proper "way," and the words "nationalism" and "socialism" are understood in different ways, Bishop Miguel Obando y Bravo told this correspondent that at the present time many Nicaraguans are "blinded by envy, ambition, class hatred and an immoderate desire for power."

For the Nicaraguan church the most important reality today is that the hatred, according to the bishop, "even extends to the children."

"We are not concerned with what political system exists, since the people won the war.

"We know we are turning to the left, whether it be some type of socialism or perhaps a Marxist system, but this does not concern us. The only thing we desire is that in that system the people choose to seek the integral freedom of man."

The prelate added that it must not be forgotten that man is something more than material progress, much more than social and economic development. Man has other attributes, he recalled, stating that the church will always continue its struggle, whether in a socialist or a capitalist system, to reaffirm those attributes.

"The war has been won, but not the revolution. That will be possible only when all the people in the country have food and shelter to enable them to live with dignity and access to the good things of our culture.

He did not deny that during these 100 days the process has become radicalized, but he felt that this cannot yet be evaluated as positive or negative, because there are no concrete results as yet.

Meanwhile, those responsible for implementing the economic revolution have just outlined what they call the second stage which, they say, will permit the reactivation of the national economy.

Under the coordination of the Ministry of Planning, seven groups have already drawn up the program of reconstruction which will follow the national emergency stage.

"We do not want to start a large number of projects which will go unfinished later on," said one of those in charge.

National and foreign experts have worked on the project together.

One of the plan's priorities seeks to resolve the problems of transportation, which has been brought to a standstill by the almost total destruction of all communications routes.

If in this city there are areas where the damage left by the bombs and mortars makes passage by vehicles impossible, in the interior of the country there are places where the highways have been cut completely.

Experts estimate that at least \$15 million must be spent to give the highways a "once-over" and make them passable.

To date the Inter-American Development Bank (IDB) is the only institution which has granted the country new credits. Thus \$105 million will be invested in 1980 in the construction of the "Río Blanco-Siuna" highway, which will connect the country with the Atlantic region.

At present, the Nicaraguan Government is negotiating with the International Bank of Reconstruction and Development [IBRD] for credit to develop urban transportation. Nicaragua has 200 buses and needs at least 800 more. To this end officials of the Nicaraguan Government are also holding talks with Mexican officials. Other credits being negotiated with the IBRD are \$30 million for industrial and farm credit and \$7 million more for infrastructure projects in the country's municipalities.

The loans will be long term and have very favorable conditions, Pierre Penalba and Noel Sanchez reported.

The new projects will not prevent continuation of old programs, particularly those concerned with electrification, agroindustries and regional highways.

The new plan includes the necessary national investment, although the Central Bank's reserves are scarcely \$82 million, and this due to donations received from other countries, such as Mexico, which contributed a gift of \$5 million.

To date the Nicaraguan Government has not paid out a single dollar on its \$600 million foreign debt to foreign governments and the international bank.

Pressures on the present Nicaraguan Government concerning this debt have not come from the big banking consortiums, but rather from small banks.

In the next few days the junta which directs Nicaragua's destinies will begin talks with the various governments and with the commercial bank for the purpose of renegotiating its foreign debt.

Meanwhile, the violence continues.

It is estimated that one young Sandinist dies every day because of harassment by Somozists who remain here. In the last 10 days the Sandinist Front has lost more people than the Somoza supporters.

Sandinism has given its answer:

People's organizations, according to Abel Calero.

The Sandinist Workers House includes more than 600 unions. The people participate in state decisions, and organization is done block by block, square by square and barrio by barrio.

"No one can leave the country unless he is authorized by the appropriate Sandinist Defense Committee; these committees are acquiring more and more importance and are similar to those which operate in Cuba.

"In Nicaragua there is freedom for everyone, except to engage in counter-revolution," said the Sandinist, who assured us that the purpose is not to convert everybody into Sandinists, because the process will have to convert the present Sandinist army into a national army; today's Sandinist police must become the national police, and Radio Sandino soon will become the national radio of Nicaragua."

Questioned as to the means to be used by the people to resolve the problem of structural injustice, Monsignor Obando warned: "On the question of measures, I am not a Marxist, because I believe the change must be made by methods which avoid hate and not by means which can be characterized as contrary to the gospel."

## Repression on the Increase

The bishop recalled that there has been an increase in his country of cases of arrest and repression by certain groups who do not respect the rights of others, and he speaks out against those excesses, he said, when hatred of what is called the bourgeois class is being inculcated in the children.

The excesses of the so-called Sandinist Defense Committees have been recognized by the members of the Government Junta, such as Maj Tomas Borge Martinez, who feels that the abuses reported are the result of the lack of an adequate administrative apparatus.

While he agreed that it is necessary to end those abuses and that each citizen must be given what he has a right to, he warned that those committees, which are a source of concern to many in this country because it is believed they may become centers for spies and informers, will continue to exist in spite of that concern, because they are the basis for the defense of the revolution.

The interior minister reiterated that his country will not fall into communism and indicated that those who fear that this will happen must have committed crimes against the people.

Monsignor Obando y Bravo affirmed that the church in Nicaragua will continue its struggle so that man may achieve his total liberation in this country, "that he may cease to be manipulated by anybody and in the name of anything, but that he may, rather, have the freedom which represents one of his great attributes."

And he concluded: We cannot forget that in man there is an evil which was born in him, and in Nicaragua that evil could destroy the objectives of the revolution. "But this is a risk for all," as it is a risk that our revolution can be slowed down in the achievement of its goals.

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CSO: 3010

# ANS MEMBERS TO BE NAMED 'CARLITOS' IN MEMORY OF FONSECA

Managua BARRICADA in Spanish 5 Nov 79 p.5

[Text] Yesterday afternoon at Franciscan High School "Los Carlitos," future of the country, opened the Chief of the Revolution Maj Carlos Fonseca Amador Heroic Rally, in which leaders and members of the Luis Alfonso Velazquez Flores Association of Sandinist Children participated actively.

Taking part in the simple, but important, ceremony in memory of the founder, hero and martyr of our vanguard, the FSLN [Sandinist National Liberation Front], Maj Carlos Fonseca Amador, was the Fabio Martinez musical trio of San Dionisio, Municipality of Matagalpa, including the brothers Cipriano, Guillermo and Gerardo, 11, 9 and 6 years old, respectively, who sang the songs, "San Dionisio," "El Calabazo," "El Cristo de Palacaguina" and "Flor de Pino," receiving considerable applause for their fine performance.

Also taking part in the memorial ceremony for Maj Carlos Fonseca was young Oscar Chacon, who explained to the children that the ANS [Association of Sandinist Children] was established so that all the children could organize to eliminate forever the squalor and hunger to which the evil government of Somoza submitted our children.

He went on to say that now that the battle has been won, the children must not stand with arms folded, but must continue to fight, although in a different way, so that the dreams of Luis Alfonso Velazquez Flores may come true and all children may study and play in peace.

"We must care for this revolution as for an infant," the boy said. Oneida Badilla, in turn, said the members of the ANS are called "Los Carlitos" in honor of our commander, Carlos Fonseca Amador.

"Our commander, Carlos Fonseca Amador, did not die in vain. He fought so that our people might break the chains of oppression, and we, according to our age, must imitate his example and fight so that there will be no more oppressed children in the land."

David Velazquez said that Nicaraguan children should join the ANS and that they must recognize the FSLN as the only vanguard of our people.

He called upon them to study and be disciplined, because they are the future, the ones who will defend the Sandinist People's Revolution.

He recalled that this victory had cost the blood of our peasants in the mountains and of our workers and students in the cities.

He also mentioned the substantial role the children played during the war, when they were the victims of bombing, and he said there were times when they even bore arms alongside the FSLN.

"We must fight against vice, hunger and illiteracy," said young Velazquez in one part of his speech.

Finally, Luis Alberto Mayorga, ANS coordinator at the Franciscan school, emphasized the discipline they must maintain as revolutionary members of the ANS, and he asked both students and teachers to be conscientious in their school activities.

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CSO: 3010



'CHEPE CARRETA'S' MOTHER DESCRIBES DEATH, BURIAL

Managua EL PUEBLO in Spanish 8 Nov 79 pp 1, 8

[Text] We found a disconsolate mother, her heart still scarred by the death of her son, in El Coyolar barrio in Leon, where this newspaper attempted to get the family's story about the events which ended the life of Sandinist fighter Carlos Jose Santana, better known as "Chepe Carreta."

Mrs Tomasa Santana related that her son was a faithful defender of the revolution who devoted his life to it and risked it in the most difficult fighting to take the barrios and rescue the city from "the beasts."

"When my son was in combat he never liked to eat much since, he said, a revolutionary must get used to going without food, because in the most serious situations he must set a good example. What they captured in battle they gave to the poor children; so it was that thousands of these, humble, barefoot and dirty, followed the crowd which carried him to his final resting place," she told us proudly.

"Some of the leaders of the revolution used to come to this humble house, which has a dirt floor and lacks many conveniences. Here we shared what little we had to eat to help in the struggle to bring down the Somoza dictatorship, since we could no longer endure it," she repeated insistently.

"I know his death is sad. that it leaves us very sad, but we would not have wanted it to be this way. For this reason, we at home did not want him to come to Leon, and I was always worried that something might happen to him. When he was in prison in Managua I took him his clean clothing, his meals and everything we could afford, considering that we are poor.

"On Saturday, at about 1600 hours, Jose came to my house and told me he had received permission from the authorities to take part in the tribute to his comrades who had fallen in combat a year ago. Frankly, I did not see whether the rest of the group came with him or not," she told us. "That night he did not leave the house, and I don't believe, as is being said, that he took part in any harassment or demonstrations against the authorities.

"On Sunday morning some of his friends from the barrio came and asked him to go for a ride; later he met some of his old friends from his work at the highway department, and it seems they drove to the beach. I found out that those who accompanied my son were Edgard Sampson and Patricio, both of whose whereabouts are unknown; Antonio Paiz, Martin and Alberto, alias "El Gran Bayardo."

"They went that day to borrow a green microbus from the highway department, the same one in which they were riding when they allegedly passed the command headquarters about half a block below the Aserrio Santa Fe."

#### Chepe's Death, According to His Mother

"Between 1900 and 2000 hours on Sunday evening, Jose was riding in the microbus along with the friends already mentioned, and they passed by the Police Station known as P-1. Allegedly the guards on duty asked them to stop, but apparently they did not. The sentries shot the tires, bringing the vehicle to a halt, and arrested the occupants.

"Almost at the very moment they were being arrested, someone came to tell me that Jose and some others had been arrested, and I left within about 15 minutes." Recalling a little more, she told the newsman that the person who told her about the arrests was Alberto, alias "El Gran Bayardo." "I inquired who was in charge at the Police Station and was told it was Ernesto or Chibola. I asked where my son was, and he told me that if I wanted any information I should return on Monday at 1000 hours; but almost before he stopped speaking, a militiaman came in and told him that 'these are Carreta's personal effects': 60 cordobas and his identification papers.

"It appeared normal to me at the time that they should take away a prisoner's personal effects to protect the prestige of the Army, and right away I said to him, 'May I have permission to see my son?' The chief told me, 'Go to the morgue.'

"Immediately it seemed to me that the sky and the earth were pressing on me; my feet became heavy; my heart began to pound, and my body almost buckled. I felt unsteady, and my head felt as though it were spinning.

"I recovered within a few seconds, or perhaps minutes, and asked for Chepe's personal effects, but he did not give them to me. I went to the hospital and found my son's body with bullet wounds in the head; this made me angry, but in the end I thought: perhaps now they will think seriously about the problems of the poor and of the Army, and my son's blood will have served for this, and finally his ideals will be accomplished, because Jose never had any ideas about holding office, much less about becoming a superior of his comrades in arms."

Jose Santana, "Chepe Carreta," is survived by three children: Sandra Patricia, 4 years of age, Carlos Jose, 2 years, and an infant son, Roberto Carlos, about 8 months, born while his father was fleeing the genocide of the Somozist guard.

## Burial

The body was taken from his home Monday afternoon at 1500 hours, accompanied by a huge crowd of people from the poor barrios of the university city. There were speeches by his comrades and a mass in the cathedral church, so that it was 1700 hours before the body arrived at the cemetery.

The people's orators pointed out that "Chepe," their beloved comrade, was going to the cemetery with the same humility with which he lived: surrounded by his people, his body in a rustic, rough-planed, unpainted coffin.

When the demonstration, which was a warning to the authorities, arrived at the cemetery, the grave which had been dug by his friends was full of water, and there was no way to drain it. It was decided to return him to his house, or his former house, and to bury him on Tuesday.

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CSO: 3010

LABOR GROUPS LIST WHO SHOULD BE IN, OUT OF STATE COUNCIL

Managua BARRICADA in Spanish. 4 Nov 79 pp 1, 10

[Text] Several workers organizations in the Department of Chinandega have sent messages to the National Reconstruction Government Junta regarding the structure of the Council of State.

"The working class of Chinandega wishes to register with this humble letter a strong protest on discovering that the structure of the Council of State is not taking the following mass organizations into consideration: ATC [Agricultural Workers Association], AMS, CST [Sandinist Workers Federation], CDS [Sandinist Defense Committees], ANDEN [National Association on Nicaraguan Educators] and others.

"We also feel that the small groups--for example, the CUS [Committee for Trade Union Unity], Social Christians, Social Democrats and others--should be eliminated, since these would come to distort the revolutionary process with their bourgeois and capitalist ideas which they have received from the imperialists." Chinandega Bottlers Union. Victor Manuel Hernandez.

Another Statement

"The Marvin Gaitan Rodriguez SNEM [expansion unknown] workers union, Zone 1, bearing in mind that the Council of State was made up of certain political groups and the (minority) bourgeoisie, who exercised their domination from the council, making it a toy of the dictatorship, demand a Council of State in which there will be room for representatives of the mass organizations such as the CST, ATC, CDS, Nicaraguan Women's Association, 19 July Sandinist Youth and others. Pablo D. Perez Sanchez, secretary of National and International Relations, delegate to the Central Council of the CST."

Luis Soriano, security general of the Chinandega Union of Municipal Administration Workers, signed a communique on behalf of his comrades which states in part: "We want our people to understand that all the workers and peasants must be represented on the Council of State."

The Juan Zelaya Hernandez Union, composed of the Chinandega-Managua Gemina workers, sent a message signed by Arnoldo Burgos M., secretary general, Luis A. Davila B., recording secretary, and Ivan Amador, attorney, stating as follows:

"With this message we request our government, in which we have placed all our trust, to make a profound study of all the 'microparties' and other organizations mentioned before they are allowed to participate in the Council of State.

"We submit that those who are going to represent all the organizations and the people in general should be persons who have identified with our people through the struggles and suffering which have taken place in this, the land of Sandino, and avoid the opportunism of which some evil sons of the fatherland would like to take advantage."

They added, "We also demand that the mass organizations be accepted as a party by the government, since the majority, like the CDS, ACT and CST are organizations with which we, the workers of Gemina Industries, are affiliated."

#### Another Union

A message from the Chinandega Refrigeration Workers Union to the National Reconstruction Government Junta and to the National Directorate of the FSLN [Sandinist National Liberation Front] states:

"Whereas: In the formation of the Council of State there is no place for the representatives of the worker and peasant masses;

"Be it resolved:

"1. To demand a total and indepth review of this decree;

"2. To demand the careful review of the representatives of the political parties which have access to said council."

The message is signed Tomas Romero, recording secretary.

#### Finally:

The Revolutionary Union of Banana Industry Workers, affiliated with the CST, sent a letter to the National Directorate of the FSLN, sating: "History teaches us that the Nicaraguan people have never had the opportunity to be represented in the government because that same genocidal dictatorship prevented the people from electing their representatives, so that they could maintain their hold over this heroic people.

"Today there are already small groups which are foreign to the true interests of the working and peasant class. These are people who do not want to understand that this is a revolution of the working people, democratic, popular and anti-imperialist, led victoriously by our vanguard, the FSLN. This is not seen by the small groups formed by invitation, like the Conservative Democrats, Social Democrats and other forces which oppose the advance of the revolutionary process, groups invented to maintain the exploitation of the poor by the rich in order to defend everything that served them during the Somoza era."

We echo the content of several manifestos sent by Sandinist groups which participated in our fatherland's struggle for freedom.

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EDITORIAL VIEWS PREPARATIONS TO FORM COUNCIL OF STATE

Managua BARRICADA in Spanish 4 Nov 79 p 3

[Editorial: "Mass Organizations: Prepare for Council of State"]

[Text] The statement of Edgardo Garcia, secretary general of the ATC [Agricultural Workers Association] supporting the restructuring of the Council of State and demanding the direct participation of the mass organizations therein, clearly marks the path for the political struggle which must be launched by the workers in the next few months: They must prepare to join the Council of State.

The date of 4 May 1980, which will commemorate the beginning of Sandino's anti-imperialist struggle in answer to the Pact of El Espino, which was signed on that day in 1927, has been chosen by the National Reconstruction Government Junta for the establishment of the Council of State. And from this day forward, the workers and mass organizations of the country--CST [Sandinist Workers Federation], ATC JS 19 de Julio [19 July Sandinist Youth], CDS [Sandinist Defense Committees], the Luisa Amanda Espinoza Women's Association and ANDEN [National Association of Nicaraguan Educators] must prepare themselves politically to fight and to demand that the Council of State be a legislative organ which truly represents the interests of the people and the advance of the revolution.

It follows that it will be necessary to demand a Council of State which is aware of the country's political reality, of the overwhelming presence of the mass organizations--as real forces--on all levels of national life. Thus we will construct the true democracy for which so many thousands of Nicaraguans--workers and peasants--gave their lives in the struggle against the dictatorship; the democracy in which the revolutionary majorities (and not the vacillating and surrendering minorities) may participate directly in the decisions which will rule the destinies of the country and the revolution.

The people do not need to be represented in the government by those who are not recognized by the mass organizations as their true leaders.

And those gentlemen who today lay claim to an ostentatious participation in the Council of State as "pluralists," are the same ones who yesterday were involved in trying to "reform the Somozist dictatorship" rather than in its total destruction, as was the goal of the FSLN [Sandinist National Liberation Front]. They are the same ones who always defended the conciliatory line of "national dialog," "mediation and the plebiscite," the "committee of reflection," "the civic struggle," (from the communiques in which the armed struggle of the FSLN and our people was "chaos and anarchy" the "three alls": destroy it all, burn it all, kill them all). It was they who always conspired with the Americans for Somoza to get away and to preserve the genocidal Somozist guard, and even in the last moments of the insurrection they continued to conspire against our people to go to Venezuela--in an unholy alliance with the bourgeoisie in Miami who would sell out our country--to prevent the total victory of the people and the FSNL.

The people must judge the acts of those gentlemen and of the ultraleftists to determine whether they should be admitted to the Council of State.

The National Reconstruction Government Junta [NGRN] and the Sandinist vanguard have already come out against this, but the mass organizations must make their political force felt in sealing this decision.

Political statements are not enough. All the mass organizations must begin an accelerated program of political discussion among the rank and file, of tenacious ideological struggle against opportunism, of mass activities which support the political decisions made by their assemblies. Only thus will the will of the people be sealed and assured.

It is the minorities who fear the participation of the mass organizations in the tasks of government who reject democracy. They are the vacillating minorities--the conservatives, the Social Christians, the Social Democrats--who point out that the delay in the establishment of the Council of State is creating "distrust" in the country. They confuse their interests with those of all the people, and they want to transmit to all the working people the fear that their special interests will not prevail in the Council of State. But the people do not lack trust. On the contrary, suggestions like that of the ATC are a clarion call for a new stage in the political struggle. It is a call which all the mass organizations must pass on to all the people so that they will rally around their own participation in the Council of State.

From the collective discussion, the mobilization of the people and the ideological struggle which is now taking place will come new proposals to the NGRN concerning the structure and the functions of the Council of State.

CHINANDEGA WORKERS ASK TO BE REPRESENTED IN COUNCIL OF STATE

Managua BARRICADA in Spanish 3 Nov 79 p 8

[Text] Chinandega--In a strongly-worded message, our workers affiliated with the CST [Sandinist Workers Federation] are asking our Government of National Reconstruction to take into account the people's mass organizations so that they may be duly represented in the Council of State.

These communiques have been sent by the Guasuale Workers Union, the Cattle Butchers Union, the Felix Antonio Lopez Romero Bakers Union, the workers of Supermarkets of Nicaragua, SA, and the Monterrosa Sugar Mill Workers Union. The message from the workers of Supermarkets of Nicaragua, SA, states in part: "With the rights of citizens, we demand that the members of National Reconstruction Government Junta and the members of our vanguard, the FSLN, take into consideration in forming the proposed Council of State, our organization, the CST, as well as the other mass organizations, such as the CDS [Sandinist Defense Committees], ATC [Agricultural Workers Association], JS 19 de Julio [19 July Sandinist Youth] and the Luisa Amanda Espinoza Women's Association, since these organizations are totally of the people."

In like manner the Cattle Butchers Union, "seeing that representatives are being named to the Council of State and that no representatives of the working masses of the country are included, and that if the working class is not represented in the Council of State, it would not be a democratic, popular revolutionary and Sandinist government," has decided to make this statement on behalf of its workers.

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CSO: 3010

ATC CHIEF DEMANDS GROUP'S PARTICIPATION IN COUNCIL

Managua BARRICADA in Spanish 4 Nov 79 pp 1, 10

[Text] "The voice of the ATC [Agricultural Workers Association], vanguard of the country's workers, must make itself heard in regard to the establishment of the future Council of State, which must be composed only of those organizations which represent the interests of the people and which are pledged to carry out the tasks of the revolution, whatever the cost," Companero Edgardo Garcia, secretary general of the ATC, told a press conference.

"We believe that when the ATC participated in the MPU [United People's Movement] it was expected that a Council of State would be formed when the dictatorship was defeated, but once our people were victorious, a change of structure took place in the organisms which participated in the struggle."

Garcia added that now the well-informed organizations are rightly claiming that one cannot speak of the creation of a Council of State without first taking into account the way the revolution is developing.

Therefore, he added, the association considers that to safeguard the interests of the revolution, we must create a Council of State which is different from what had been suggested in the past, a Council of State which will defend the interests of the revolution, which are the interests of the majorities, and the construction of a new Nicaragua.

"There are organizations with no roots among the masses, which have interests foreign to them and which even permit themselves the luxury of obstructing our revolution, which we achieved with so much blood and sacrifice, and who try to demand a place in the future Council of State."

The ATC secretary said that "to claim this place, these groups argue that they were present in the struggle against the dictatorship, a struggle which they certainly undertook to safeguard their particular interests; but at the critical moment they betrayed it, allying themselves with the imperialists and with Somozism, and for that reason they were not present at the

final outcome. The Sandinist National Liberation Front then became the true vanguard of the people and traced the political path with which all Nicaraguans identify.

"The Council of State cannot be an instrument in the service of those interests against which we have been fighting. We cannot permit the participation in the Council of State of groups which have devoted themselves sympathetically to sabotaging production, burning crops and farms and harassing our forces and of groups who ask the workers to demand salary increases at a time when they know perfectly well that with such increases the economy would be destroyed and all of us would have to suffer the consequences," added Garcia.

Finally, he indicated that the ATC reiterates all its support to our JGRN [National Reconstruction Government Junta] in the position it has taken regarding the Council of State and the postponement of the date of its formation to 4 May 1980, the Day of National Dignity, since we are clearly aware of the urgent tasks to be completed in the consolidation of our process and which we are not going to delay because of the wily interests of those who have always opposed the revolution.

Finally, the ATC secretary called upon the rural workers to close ranks against this new threat and to be wary of these new maneuvers by reactionary sectors.

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CSO: 3010

## NICARAGUA

### ARMY REGULATIONS AND CODE OF JUSTICE ANNOUNCED

Managua BARRICADA in Spanish 4 Nov 79 p 5

[Text] "We are creating our own regulations and code of military justice as part of the many army organization tasks." Companero Jacinto Suarez, aide at the General Headquarters of the EPS Sandinist People's Army, told BARRICADA.

Suarez gave this answer to the question asked by this newspaper as to what punishments and penalties were going to be imposed on members of the army when they overstepped their duties and committed abuses against the people.

He revealed that in the Somera army there was a code of justice and its regulations, which no longer existed when the G.N. [National Guard] disappeared. This GJN [Code of Military Justice] was copied from the United States Army Code at the beginning of the century.

Suarez stated that in creating the new system of military justice the penalties for abuse of authority and for failure to perform one's duty will be established, and regulations will also be established for the army's conduct with the populace.

He emphasized that many members of the army are being held in various places for offenses of various kinds and that all of them are awaiting judgment because the drafting of the regulations has not yet been completed.

He said that because of this situation whenever any complaint or any offense committed by a soldier comes to light he is arrested so that the offense may not go unpunished and so that he may not continue to commit abuses.

Suarez pointed out that the citizenry must cooperate in trying to provide as much information as possible, such as names, identification plate numbers, or a description of the person committing the abuse.



He indicated that our people must be very careful when someone in uniform commits abuses, for many times it is difficult to determine whether he really belongs to the EPS or is a common criminal.

That is why it is important to give as complete as possible a description of the persons committing these abnormal acts, for this makes it easier for the Judge Advocate General's Department to determine whether the offender is or is not a member of the army.

Suarez stated in conclusion that in order that our people may know where to go to report this kind of thing, the Army Judge Advocate General's Department is situated three blocks south of Hotel Intercontinental, Managua.

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CSU: 3010

NICARAGUA

WORK ON NATIONAL ECONOMIC DEVELOPMENT PLAN ANNOUNCED

Managua BARRICADA in Spanish 5 Nov 79 p 9

[Text] On last Thursday, 25 October, the National Reconstruction Government began a project at the national level that has been called "Emergency Reactivation Program for the Benefit of the People."

The program is a national development plan for the 1980-1981 period. The difference between this plan and all the previous ones is that in the matter of economic development it considers data from the year 1975 to the present time.

Seven commissions will work on this program--external financing, domestic financing, production, investments, supplies, consumption and prices, employment, and wages and social agencies.

These commissions will work with the minister and vice minister of national planning and representatives of organizations for the masses. This is the first time that the government has been involved in the preparation of a plan aimed at the economic reactivation of the country for the benefit of the people.

This will be achieved by stimulating the economy and generating employment while the labor sources produce goods that the people need.

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RESULTS OF FIRST PUBLIC MANAGEMENT COURSE TERMED POSITIVE

Managua BARRICADA in Spanish 5 Nov 79 p 9

[Text] Last weekend marked the end of the first course for coordinators of "Heroes of Bocay" municipal councils. The course was organized and coordinated by the Nicaraguan Public Administration Institute (INAP).

The purpose of the course, intended for coordinators of councils, is to cover the manner of administering the property of the Nicaraguan people and to eradicate forever the corruption that existed during the dictatorship.

The INAP divided the country into eight zones for the purpose of conducting the courses. The first week they were held in Chinandega, Esteli, Matagalpa, and Ocotal, and then in the central zone of the country.

BARRICADA had an opportunity to talk with the companeros taking the course in the northern and western part of the country, and they expressed their pleasure at the opportunity given them by the INAP to clarify their role and their responsibility before the people in administering their property.

The participating companeros expressed critical remarks on the need for greater coordination between the municipal councils and the Managua Council of Government, due to the various activities planned.

Other companeros mentioned the vital importance of decentralizing the functions into various departmental councils in order that there may be no restrictions in the development of the work in the future.

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## NICARAGUA

### NEWSMEN'S GROUP SUPPORT GOVERNMENT, DENOUNCE IAPA ON PRESS LAW

Managua BARRICADA in Spanish 4 Nov 79 p 10

[Text] Nicaragua newspapermen organized in the Union of Nicaraguan Journalists, UPN, yesterday agreed to lend their complete support to our Reconstruction Government in keeping the Provisional General News Media Law in effect.

The newsmen also agreed to publicize the law through a massive series of articles in order to strike at reaction and imperialism, which, led by the so-called Inter-American Press Association, seek to impose journalistic "norms" on Nicaragua without having the moral capacity to do so.

It was reported at yesterday's session of the UPN that the so-called IAPA has gone so far as to shamelessly espouse the interests of the Somocists. Specific mention was made of the case of the Nicaraguan delegation that was recently in Toronto, where the IAPA executives asked "when the Nicaraguan government was going to return the lampoon NOVEDADES to Luis Pallais."

In a similar action the IAPA takes an uncompromising stand and brooks no further qualifying remarks or recommendations in making known that kind of "freedom" of the press they "defend" in America.

The newspapermen reached the conclusion that in Nicaragua journalists are not really persecuted or assassinated as in the tragic times of Somoza, when in spite of all the oppression of the press, the persecution, and the crimes, the IAPA said that here "freedom" of the press was "improving."

We must make it clear that this Provisional Law was made not to benefit the journalists, but our people--this was another conclusion.

As in the Time of Somoza

Companero Antonio Teatino Santana made an important comment to several "colleagues" who work for international press agencies on the terminology that they have recently been using in referring to newsmen who work in the Sandinist Communication System.

"They," he pointed out, "use the term progovernment journalists and official journalists when they refer to a companero of the Sandinist Communication System.

"But they should realize that we journalists of the Sandinist Communication System are not the so-called 'journalists' who concealed the crimes and improprieties of the hatred Somoza dictatorship."

Prof Ricardo Trejos Maldonado said that "here there will be no more bourgeois freedom, only freedom of the press for our people."

The Union of Nicaraguan Journalists will also demand the solidarity of the rest of the country's organizations for the masses in order to show the world that the Reconstruction Government and its vanguard, the Sandinist National Liberation Front, have the complete support of the people.

#### Journalists Will Participate in Crusade

At the session, it was further revealed that all press members will participate in the 1980 revolutionary crusade to teach reading and writing.

Companero Juan Molina Palacios has been named coordinator for organizing the participation of the journalists.

Hostility toward some colleagues in certain public agencies, where they are working as publicity officials, was reported.

But it is a question of personnel who believe that the journalist is the same crook as in the time of Somoza; one thing is sure, that those honest and straight-forward companeros never bowed to the Somoza regime and the bourgeoisie, nor to those who made journalism a commodity.

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## NICARAGUA

### SEMINAR ON WRITER'S ROLE ATTRACTS LITERARY NOTABLES

Managua BARRICADA in Spanish 8 Nov 79 p 4

[Text] The Latin American writer must tailor his work to the people's revolution without detaching his creation from the political problems of his society, and he must also convert the language to revolutionary beauty.

This was the opinion aired at a roundtable composed of writers Julio Cortazar, Ernesto Cardenal, Pablo A. Cuadra, Ernesto Gutierrez, Carlos M. Rivas, Mario Cajina V., Lisandro Chavez and Javier Arguello, which took place Monday morning at the Neysi Rios auditorium at the UCA [Catholic University].

Father Ernesto Cardenal gave a brief introduction to the roundtable, which centered on the theme of "The Writer's Role in the Revolution," and apologized for the absence of novelist Sergio Ramirez. Julio Cortazar opened the discussion, emphasizing that the Latin American writer must be involved with the popular causes of the peoples, with the revolution of oppressed peoples.

The outstanding South American visitor indicated that the role of the writer in our societies, which have been subjugated by tyrannies, must fit into the decision which has been made by the peoples in freeing themselves from foreign and domestic enemies.

Throughout the history of the peoples, the writer has compromised his art in the service of the ruling class, emphasizing his disdain for the cause of the peoples, but at present the "writer does not constitute a special caste," Cortazar correctly stated. "He has nothing which separates him from the people."

He added: "The writer is one of the many workers in the revolution." However, he remarked, "The only thing that differentiates the worker, dentist, etc, from the writer is that the latter works with language."

Cortazar claimed that "we write something which goes beyond the simple daily use of the language," and he added that the writer must convert the language into an instrument of beauty, but that beauty must give it "historical sense," making it enter into the feelings of our people.

Cortazar continued, saying that the Latin American writer must be the first to utilize a "truly revolutionary language."

However, the writer of "Rayuela" and "El Libro de Manuel" warned, "We revolutionaries continue to use in our speeches, poems and novels a rhetorical, inflated, commonplace language, full of adjectives and epithets, which is characteristic of the language of our enemies."

"At the present time, in which all Latin American societies are 'at the beginning of a difficult and vast task,' the writer needs to create a revolutionary language which responds to our feelings, utility and needs," the novelist argued.

Such an opinion is contrary to the scornful arguments of certain young writers, in Nicaragua as well as in the rest of the hemisphere, concerning form and giving greater relevance to "content."

Mario Cajina Vega, another literary figure, noted that the function of the writer is that of a sort of "political animal" and of a person who must develop his creative work.

Cajina Vega pointed out the danger of bureaucracy among writers and intellectuals. He branded these people as "Sandinists on loan," who seek to "buy power for themselves."

"The bureaucracy is a nepotism of writers," argued Vega, and he added that its creation is "hypocritical, anticultural," and that it only seeks its own benefit.

Ernesto Gutierrez summarized in depth the thought that the writer must be involved with the revolution and with the people, but that he has "a difficult struggle with language."

The other writers invited to the roundtable reiterated the ideas expressed by their colleagues to the effect that the writer must involve his art and at the same time revolutionize the language.

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## NICARAGUA

### HOUSING PROBLEMS, ROLE OF CDS IN URBAN REFORM DISCUSSED

Managua BARRICADA in Spanish 11 Nov 79 p 3

[Interview with Luis Figueroa, vice minister of Housing and Human Settlement, by PODER SANDINISTA; date and place not given]

[Text] The CDS [Sandinist Defense Committees] groups participate actively in solving the serious housing problems, reported Luis Figueroa, vice minister of Housing and Human Settlements, in a brief conversation with PODER SANDINISTA.

Figueroa also discussed that ministry's plans to confront the country's housing shortage and our difficulties in solving it.

At present the Ministry of Housing and Human Settlements is also responsible for the Vice Ministry of Urban Planning, the Housing Bank of Nicaragua, the Office of Rents, Urban Reform and the Intervention and Control of Illegal Distribution.

[Question] How does the Ministry of Housing and Human Settlements expect to solve the serious problems of housing which exist today both in the cities and in the rural areas of the country?

[Answer] The goals we suggest are to carry out a total urban reform which will permit us to have planned, state-authorized human settlements in the cities, as well as to provide shelter for our brothers in the city and in the country.

It should be noted that there are interministerial committees (INRA [National Institute for Agrarian Reform], Education, Health, etc), and we are planning the rural settlements so that they will have the minimum comforts, so that the rural area will be well provided for and attract people from the city. In this way we hope to avoid what happened under the Somoza government: that the peasant was dispossessed of his good lands, forced to become more and more isolated in the uninhabitable mountainous sectors or "invaded" the cities looking for the minimum conditions for survival.

[Question] Your people found many limitations when you came to this ministry. What was the greatest one?

[Answer] The most important limitation was economic. The Somoza government speculated with the housing, and what is worse, we inherited a huge debt. We have to construct housing with loans, and generally the conditions are severe, such as high interest rates and a short term for repayment. In addition, the international financial agencies which lend under easier terms determine the amount they can lend us without taking our needs into account.

[Question] In the past this ministry was in the service of the big millionaires. How do you expect to get popular participation now in solving the housing problem?

[Answer] All the tasks being developed and which will be developed by this ministry are closely linked with the mass organizations. The CDSs point out the chief needs to us, tasks which are decisive in planning the projects we are going to carry out.

In addition, in the execution of our projects we will frankly work hand in hand with the CST [Sandinist Workers Federation] in the cities and with the ATC [Agricultural Workers Association] in the country to construct housing for our neediest brothers.

[Question] How does the CDS participate in this vice ministry?

[Answer] To date the CDSs in the isolated and/or participating barrios are giving us the information needed to plan adequately the projects to be developed. In addition we receive from them all the data needed to plan the reconstruction of housing which was damaged by the war and, what is essential, for determining who are the most affected.

[Question] How do you expect to solve the housing problem?

[Answer] We will solve this problem little by little, through mass housing construction. For this we will require the services of our brothers, particularly the CST at this stage; in addition, we expect to make a builder of every Nicaraguan, so that we will try to have at least one member of each family group participate in the construction of what will be his house.

With the projects for the improvement of housing in the isolated barrios, which include everything from the installation of foundations to improvement of the house itself, this will also help us to solve that serious problem. The Ministry of Housing and Human Settlements will attend solely and exclusively to the principal masters of this revolution, that is, to the most needy, to our workers and peasants. In this first stage of rebuilding the houses damaged by the war, we will attend only to those victims whose economic situation is critical according to the criterion of the CDS.

## NICARAGUA

### PROGRESSIVE TAX ON SESAME SEED DECREED

Managua BARRICADA in Spanish 8 Nov 79 p 4

[Text] The Government of National Reconstruction has decreed a progressive tax on sesame seed exports, which has been voted on and unanimously approved by members of the JGRN [National Reconstruction Government Junta].

The text of the decree follows:

#### Certification:

Emilio Baltodano Cantarero, secretary general of the National Reconstruction Government Junta, hereby certifies that the decree, "Progressive Ad Valorem Tax on the Exportation of Sesame Seed," was voted on and approved unanimously by the members of the National Reconstruction Government Junta and is wholly and literally as follows:

Decree No. ... Progressive Ad Valorem Tax on the Exportation of Sesame Seed.

The National Reconstruction Government Junta of the Republic of Nicaragua, using its powers, decrees:

Article 1. A progressive ad valorem tax is created on the exportation of hulled and unhulled sesame seed produced in Nicaragua.

Article 2. The tax is based on the "International Price." The "International Price" is defined as the price of 100 net English pounds of hulled and unhulled sesame seed on board ship or any other means of transport at place of shipment (FOB), packed in sacks which conform to the regulations of international commerce.

Article 3. The tax established by the present law shall be applied in accordance with the following table:

# Table of Tax on the Exportation of Sesame Seed

## 1. Hulled Sesame Seed

International Price (U.S. dollars)		Tax to be Paid	
Up to \$40.00		Exempt	
From \$40.01 to \$44.00		50% of amount over \$40.00	
" \$44.01 to \$48.00	\$2.00+	60% "	" " \$44.00
" \$48.01 and over	\$4.00+	80% "	" " \$48.00

## 2. Unhulled Sesame Seed

From \$26.01 to \$30.00		30% of amount over \$26.00	
" \$30.01 to \$35.00	\$1.50+	60% "	" " \$30.00
" \$35.01 and over	\$4.50+	80% "	" " \$35.00

Article 4. The tax established under the present law shall be collected by the General Directorate of Revenue and paid by the exporter of sesame seed prior to each shipment. The General Directorate of Customs shall permit the shipment of sesame seed only in the quantity indicated on each fiscal receipt issued by the General Directorate of Revenue. In cases where a smaller quantity than that specified in the fiscal receipt is exported, the General Directorate of Customs will make the corresponding notations until the amount indicated has been shipped.

Article 5. At no time and by no means shall the tax established under the present law be transferred to the producer. Any attempt or maneuver to evade the terms herein stipulated shall be punishable by a fine equal to the amount of tax in question.

Article 6. The present decree shall be effective as of today, from the moment of its publication by any means of mass communication, without prejudice to its publication in LA GACETA, the official newspaper. Given at the City of Managua on 5 November 1979, "Year of National Liberation." National Reconstruction Government Junta. Violeta B. de Chamorro, Sergio Ramirez Mercado, Alfonso Robelo Callejas, Moises Hassan Morales, Daniel Ortega Saavedra. Agreed.

Managua, Republic of Nicaragua, 5 November 1979, "Year of National Liberation." Emilio Baltodano Cantarero, secretary general, National Reconstruction Government Junta.

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## NICARAGUA

### BRIEFS

**FIREARMS PROHIBITED IN BANES**--The National Sandinist Police Headquarters has announced that as of 2 November the carrying of any type of firearm into the country's banking and financial offices and agencies is strictly prohibited, excepting only those carried by members of the National Directorate of the FSLN, the Government Junta of National Reconstruction, the Sandinist National Police General Staff, the Sandinist People's Army General Staff and the guerrilla commanders. Police and G-2 agents may do so only under express orders and with proper identification. [Text] [Managua BARRICADA in Spanish 2 Nov 79 p 3] 8735

**'BARRICADA' INDIAN LANGUAGE EDITION**--For the first time in Nicaraguan history, the Miskito Indians, who live on the Atlantic coast of that country, will be able to read a newspaper in their mother tongue. BARRICADA, official organ of the Sandinist National Liberation Front, has been printed in that language as part of the plans of the Government of National Reconstruction to assimilate all the ethnic groups living in that Central American nation. [Text] [Havana JUVENTUD REBELDE in Spanish 22 Oct 79 p 4] 8735

CRJ: 4010

## URUGUAY'S DICTATORSHIP IN THE FACE OF CRISIS

Moscow LATINSKAYA AMERIKA in Russian No 1, Jan-Feb 79, signed to press  
2 Jan 79 pp 28-40

[Article by Ricardo Saeslund, Uruguay]

[Text] People who have not been eyewitnesses to the events taking place in Uruguay find it difficult to understand them and to correctly evaluate the internal and external factors which are contributing to the erosion of the regime, which was established on 27 June 1973. The overwhelming majority of Uruguayans oppose the dictatorship, which usurped power, imposed a fascist terror on the people and exacerbated to the utmost degree the socio-political and economic crisis. The Communist Party of Uruguay (CPU) issued an appeal to the people on 27 June 1977 in Montevideo; in the appeal the party described the results of the dictatorship's rule as "terrifyingly catastrophic." The document goes on to say: "In Uruguay the parliamentary system and the foundations of the constitution have been done away with, political parties have been declared illegal, all political activity has been banned, the autonomy of the university has been violated, and the spirit of flagrant McCarthyism has been rekindled in all spheres of education. Trade union liberties have been eliminated here... 55,000 Uruguayans have spent time in prisons and army barracks--of this number 6,000 people are languishing behind bars at the present time... Five hundred thousand residents have abandoned their homeland as a result of persecution and the lack of future prospects." This was done in order "to entrench more strongly in power a stratum of the oligarchy, while the reactionary military clique declared a 'holy war' against the workers movement and democracy in the country."<sup>1</sup>

At dawn on 23 November 1977 Uruguay was shaken by underground tremors, repercussions of an earthquake which had its epicenter in Argentina; many residents fled their homes in panic and remained on the streets for several hours. No one could remember when the country had been hit by such misfortune. But when the moment of confusion and fright

1. CPU, S. 1, 1977, No 8.

had passed, people began to complain with bitter humor: "This is the last straw! In addition to all the other misfortunes, the dictatorship has now inflicted an earthquake on us!"

The comparison to a natural disaster provides a most suitable description of the regime which rules Uruguay. The circles behind the coup d'etat have aimed the force of their blows against the Communist Party, and against the workers and people's movement. They hypocritically conceal their actions with hackneyed slogans about "the defense of freedom and democracy," the struggle against the "red offensive" and the bourgeois-democratic practices, which, in their opinion, contributed to this "offensive." They even attempt to prove that a "revolution" has taken place in the country, when in fact the discussion concerns counterrevolution (imposed from outside, undoubtedly) and antipatriotism. In the face of undesirable social changes the oligarchical elite came to the conclusion that Uruguay's bourgeois democracy, which had the oldest traditions in all of Latin America, was not in line with its interests. This was partly the result of a crisis in the nation's political system, a crisis which objectively existed and served fascism as a pretext to direct its blows against all the healthy forces of the nation, including those which had no relation to the communists. Fascism needed the amalgamation of the state machinery and finance capital (monopolies), and the centralization of administration with the assistance of a strong military-bureaucratic apparatus, headed by a group of generals, it also needed the abolition of the electoral organs. Fascism's true program (by virtue of its obvious antipopular nature) could not be publicized. In words the initiators of the coup d'etat adhered to a political platform which was largely positive in character; it had been worked out in February 1973. The essence of the platform was that the armed forces must not stand on guard for the political and economic interests of the oligarchy. In their extensive statements the makers of the coup cite the so-called Constitutions No 4 and No 7, in which the above-mentioned platform is laid out. It is for this reason that the communists constantly direct the attention of the working people to the need to compare these declarations with the real actions of the dictatorial forces. For example, the official reports talk about "ensuring the national welfare," as a result of "peaceful coexistence within the country, the residents of which must develop the ideals of justice, freedom, the protection of health, culture and progress, and the state is based on a representative foundation and possesses a sovereign, republic and democratic form." The FPI appeal cited above says on this subject: "The characteristic feature of the current situation is the alienation of the people from participation in political life, and the usurpation of power by an extremely narrow and closed circle of people. The power of this 'golden' minority has recently grown even stronger since they have dispensed once and for all with the principle they preached in words, saying 'income distribution is one of the issues most closely linked with the distribution of power,' and that attempts are being made 'to ensure that as national income grows there is parallel growth in the proportion received by the poorest groups of the population...'"



In Montevideo alone the general level of unemployment reached 13 percent in the second half of 1976 (it was even higher in other regions); in 1973 7.7 percent of Uruguay's economically active population was out of work. The total number of unemployed included 47.7 percent who were younger than 25 years old and 33.3 percent who were looking for their first jobs. Of the 385,000 families living in Montevideo only 4,900 have incomes which exceed the subsistence minimum, while 23 percent of families have no regular income as a result of unemployment. In one year--by June 1977--prices in Uruguay increased 58 percent at a time when wages increased by only 29 percent. In the first nine months of 1977 the cost of living increased 47.7 percent. The average wage in May 1973 in comparison with 1948 amounted to 68.48 percent, and in comparison with 1971 it amounted to only 40.6 percent. By May 1977 real incomes had been reduced by 10.64 percent in comparison with the level on 1 January of the previous year; in July and August they were reduced again (wages were increased 10 percent in September as a consequence of the sharp rise in prices). Since May 1973 rents have increased 15-fold. In May 1977 the level of consumption fell 6 percent in comparison with the previous year. All the figures cited here were taken from official sources and reflect tendencies which are characteristic of today.

The dictatorship's political program talks about the need for "struggle against the monopolies," but in fact the ruling regime is carrying out a policy of support for the monopolies (which is also in the interests of foreign banks, large exporters and branches of international corporations). It is also a policy which strengthens the system of latifundism and the positions of foreign capital (the racist regime of South Africa and the Brazilian dictatorship play an important role in foreign capital investments). As for farms, 1.66 percent account for 29.19 percent of all the land which is worked.

The government promises "to reduce the rapidly growing foreign debt," but in fact the debt has been increased 1.5-fold. In its statements the dictatorship calls for "a decisive and energetic campaign against abuses of an economic nature and against corruption, no matter where they are found," but, as the communist party notes in its appeal, "the facts confirm the silent complicity of the dictatorship in the intrigues of the oligarchy." For example, a high official, who landed in prison for embezzlement, managed to get himself released and into a management position in meat production. The corruption has touched even the repressive organs and takes the most diverse forms, including the appropriation of the property of political prisoners and of organizations which have been declared illegal.

The dictatorship's representatives talk profusely about "preserving sovereignty," while the policies which they carry out are totally subordinated to imperialist interests (the persistent attempts to create an aggressive South Atlantic pact can serve as an example) and are aimed at further strengthening the alliance with the reactionary regimes

of Pinochet and Stroessner; Uruguay follows Brazil's political policies in a particularly blind manner.

The CNR document emphasizes: "Is this really that 'order' which the Dictatorship promised, was this what life was supposed to be like in Uruguay? The 'national security system' imposed by the ruling regime was copied in full from the Brazilian perillas and is inspired by the ideas of Nazi geopolitics..."

When the military clique came to power, it announced that elections would be held in 1981. This in itself is not news. In the 1 September 1976 issue of the magazine VISION, for example, one can read the following: "in 1981 Aparicio Mendez will be replaced by a president elected by agreement among the traditional parties, with the approval of the armed forces. This decision will probably be consolidated by elections."

The goal of the military ringleaders is to have in 1980 a "new constitution," consisting of "institutional acts," which legitimize the fascist regime, gathered into one document; after this the aim is to permit the "functioning" of the "national party and the "Colorado" Party, which will both have been "purified of professional politicians" and which follow the Brazilian internal political model in their activities. The next goal is to elect--with the approval of the military clique and with the agreement of these parties--a nominal president of the country. As before, the leftist parties will remain illegal. The announcement of the scheduled elections was made several days before the visit to Uruguay made by T. Todman, who was until recently the U.S. assistant secretary of state for Latin American affairs. It was from this moment on that the notorious "reactivation" of the political course of the ruling clique began to take place. Numerous statements by the military leaders followed one another immediately; very often they coincided both in content and in form. In general these documents confirmed that all would remain unchanged and that the armed forces would continue to control all spheres of life.

The Carter administration's last declaration of its policy "in defense of human rights" gave rise to certain illusions. At the same time it gave hope to those who would have liked formal modification of the regime in form taking place, along with preservation of its basic content, i.e., fascist methods of rule and, it goes without saying, the total inviolability of foreign capital investment.

But imperialism will never work for the overthrow of these governments, which it itself has planted in order to hold back the people's aspirations for liberty. It is for this reason that, despite expressions of idealism--which are sometimes more or less sincere--on the subject of so-called democratic measures taken by the dictatorship, the latter continues to require the direct or indirect support of the USA and to receive assistance from the monopolies and arms supplies. However, this does not mean that imperialism and oligarchy have turned away from

improvements in their methods of ruling or have stopped demanding that their creatures "put on a better political face" for the world community.

Rodney Arismendi, the first secretary of the CC CPU, characterized the decision to hold "elections" as just another swindle. At the same time he noted that this swindle had become possible because of the objective conditions which had developed and the resulting need to look for a way out of the situation. The dictatorship need to play for time; it is attempting to create the feeling of hope needed in the face of its double--internal and external--isolation. It was for this reason that a long "pre-election" period was scheduled, a period which was necessary to legitimize the fascist regime within the framework of the "gradual democratization" proposed in accordance with the recommendations of Washington.

Aparicio Mendez is a man who has admired the practices of Nazi Germany, and from the moment he came to power, the military clique of Uruguay began to talk about "movement along the path towards democracy," but without "Marxists" and "professional politicians." One of Mendez's first actions as president was to adopt the "Institutional Act," which removed from political life for 15 years several thousand Uruguayans: people condemned for "subversive activities," senatorial and deputy candidates in the 1966 and 1971 elections who had belonged to leftist parties or parties allied with them, candidates for positions as chairmen and deputy chairmen of municipalities, senators and deputies legally chosen in these elections. The people who were legally prosecuted, Marxists and their allies were also deprived of the right to vote... The purpose of these stern measures is "to prepare for participation in the political life of the country--within the framework of the traditional parties--new generations of Uruguayans and to save politics from people who were not on top of events taking place."

Not long before this Mendez himself stated: "The new legal system which is being created in Uruguay, returns to private initiative that role of which it was deprived by the monopolistic state, which replaced private enterprises with official enterprises, resulting in chaos, poverty and the squandering of the national property. We shall attempt to give capital social significance in order to improve the living standard of the workers, while at the same time not drawing them into the management of enterprises at the first stage because they are not prepared for this."

This was the panorama of events which preceded the announcement of the "elections. However, the very act of confirming that they would be held proved sufficient to activate the work of the traditional Socialist parties, and this despite the fact that since 1977 a new wave of repression had spread throughout the country, effecting even the leaders of the "Colorado" Party and the newspaper DIA.

After President Bordaberry was removed on 12 June 1976, and before Mendez came to power, Alberto Demicheli was the president of Uruguay; Demicheli was an old lawyer and politician who had cooperated with the dictatorial regime of 1933. In an interview with the newspaper PAIS on 31 July 1977 Demicheli stated: "It is as hard to leave as it is easy to enter." It was easy for the military leaders "to enter" when Bordaberry and the financial oligarchy left the doors of government wide open; also, they were encouraged by Siracusi, who was the U.S. ambassador to Uruguay at that time. Today they do not know how to leave without disgrace. In his interview Demicheli emphasized that "power corrupts everyone and experience over the course of centuries only confirms this." On 21 May 1977, Aparicio Mendez, speaking in the city of Paysanda, made following acknowledgement: "I would like for our country to have as president a person far more worthy than myself... if a greater number of civilians would support us and people more capable than ourselves could be found, this would be much more beneficial both for us and for the country."

These statements prompt, at the very least, a smile. However, they are essentially sad because these are people who are responsible for mass murders, the torture of thousands of prisoners and for the national drama of Uruguay. It is they, after all, who stand at the head of a dictatorship which, "persecutes, bans, incarcerates, tortures and kills because inertia prevents it from doing otherwise, inertia which is characteristic of the procedure taking place under its aegis; it is for this reason that it never has and never will be able to overcome the resistance of the people," according to Wilson Ferrera Aldunate, leader of the democratically inclined opposition National Party, in an IPC agency interview on 27 June 1977.

In just months the increase in anticommunist repression has been accompanied by unprecedented measures and punitive actions which have been taken against those serving in the military. As for the concept of "democracy," the ruling regime's understanding of the term was expressed by A. Mendez in the above-mentioned speech in the city of Paysanda: "...the democracies have already proved in Latin America and they are proving in Europe that they cannot solve the most fundamental problems nor can they ensure the existence of nations (protect them from revolutionary groups)... (P.S.) ...The American continent is experiencing a period of political decline, which started on the other side of the Atlantic and which has encompassed the nations of the Old World, nations with the heritage of many of civilization behind them."

When talking about "elections," the military emphasize that "a decision of this kind must not prompt rash or inopportune attitudes and that the "elections" must be a "process of institutional normalization for the country." In May 1977 Mendez stated: "There are no conditions for democratization, it can give rise only to chaos... First it is necessary to change the mode of thought characteristic of teachers, students, industrialists, middlemen, merchants, professional people and political

... All this will be possible only after institutional normalization." This was the essence of the program planned by the dictatorial forces for 1981.

And in turn, General Linares Brum, minister of internal affairs, stated that the restoration of the rights of the traditional parties will take place after they have been reorganized and that the new institutional norms will lead to the adoption in 1980 of a constitution, designed to eliminate "political chaos." Julio Vadora, the former commander-in-chief of the infantry, denied that the political parties would be permitted to function in 1980. "We are, in fact, talking about the fact that the appropriate institutional norms will not be worked out any earlier than 1980 for elections to be held in 1981." Vice-Admiral Hugo Márquez, commander of the navy, was even more specific: "The armed forces will continue to maintain control over all stages of the new institutional process."

Anticommunism constitutes the politico-ideological foundation of the dictatorship. Nonetheless, in its attempts to justify the usurpation of power, the ruling clique does not stop accusing the bourgeois politicians of supposedly having contributed to "the penetration" of communism, Marxism, etc. in all spheres of life. In the speech already mentioned above, Méndez emphasizes that "the weakening of authority is the natural consequence of an incorrect political strategy. As a politician gets closer to the citizens of his country in order to first obtain their votes in elections, then to win them over and finally to beg for their support, the people lose faith in their leaders, the leaders lose the energy necessary to implement their authority, and as a result of the interaction of these two factors there takes place a weakening of the state as an instrument of public control designed to ensure social order."

Against the background of this "failure" on the part of bourgeois politics, as defined by fascist leaders of Uruguay, the willingness of the ultrarightists to "make sacrifices" stands out: "The creation of military or military-civilian governments (the official propaganda uses this kind of euphemism to conceal the reactionary essence of fascist regimes.--R.S.) is not a whim on the part of the military or a caprice on the part of civilians. Governments of this kind come to be at the head of a state because this is demanded by life itself, by the need to ensure state security, by the need to preserve the political groups of society... To return to that which we recently eliminated--to bloodshed, poverty and misfortunes, no, not for anything! We are democrats. If we were not, then nothing would prevent us from establishing a dictatorship... The word 'dictatorship' is used with regard to us only by those Latin American governments which themselves would like to introduce it in their countries, and by those who do not recognize the rights of man, by those who trample freedom and crush dignity. Good, hard-working people never talk about dictatorship and do not demand rights," stated Méndez." At the day, no commentary is necessary.



The fascist leaders pretend that they are conducting a dialogue about "institutions" and "elections" with the "parties" of which nothing remains except their former names. These "parties," Mendez characterizes as "being essentially Uruguayan inasmuch as parties serve as an instrument for the expression of sovereignty; we cannot permit the existence of those parties which are international in character because in that case the Russians, Chinese or leaders of another country where the international party rules will impose their will on us.... Under the conditions of genuine democracy about which we dream, a political party must be nothing other than an organ which regulates the voices of the voters..."

It is notable that Aparicio Mendez--who is very old--is not the only one who plays into the hands of anticommunism. The war against the people is often concealed behind the notorious "doctrine of security." This "security" requires mass repression and torture, and this in itself also turns into a "doctrine."

The military bosses, who read Hitler's "Mein Kampf" with ecstasy are guided in their daily practices by the book "Psychopolitics," written by Benvenuto Cayiglia, a well-known advocate of fascist ideas who is currently a member of the so-called state council. In one of his infamous publications entitled "Asul i blanco" he writes: "Psychopolitical or subversive war has as its main and constant factor not the external military or related violence but rather the violent offense of the psychological, intellectual and moral order. To fight for the rights of citizens in all spheres of social life... means to pursue the state and public organs not only of Marxists, but also of those who are their confederates due to lack of understanding or stupidity, i.e., of all those who, drunk with liberal sentiments, ally with the Marxists." Psychopolitical war, as we see, is nothing other than a theory of immediate or gradual physical destruction and psychological suppression of imperialist revolutionaries, and in the broader sense, the spreading of fear among the population.

General Gustavo Cistari, who has been accused in the death and torture of hundreds of thousands of people, stated: "The leftists, no matter what kind they are, are terrorists and must be destroyed." Such is the theory and practice of the dictatorship.

The fascist leaders are insatiable in the praise they heap upon themselves: at every opportunity they advertise the "process" which they are carrying out; this process is supposedly an excellent example of "defense of the free world" by a nation to which the class struggle is alien, etc. Naturally there is not room here to cite all their propaganda claims. We shall limit ourselves to a statement by the now-deceased General Cistari when he was retiring in August 1977. In summing up the results of the years since the coup he said the following with characteristic malice against Marxism, a malice

which led him as far as to falsify the ideas of V.I. Lenin: "There is no doubt that if the armed forces had conducted themselves differently, they would have betrayed their holy mission to protect their native land, which was threatened with the loss of sovereignty, and of independence and freedom, and the principle on which the social existence of our country is based as an integral part of Western civilization. We, the military, understood long ago that it is essential to defend our native land not only in times of war, as is traditionally thought, but also in times of peace. Protecting the nation in times of peace acquires particular significance inasmuch as the dividing line between war and peace is becoming more and more obliterated since war has been imposed on people as a permanent state in their life. According to the ideas of Lenin, which are being systematically and effectively implemented by international communism, peace is the continuation of war, only by different means (!), which, as our own experience confirms, include violence, especially violence of the guerilla or terrorist type. And so one day this war carried out under peaceful conditions, this subversive war, imposed from abroad, from another continent, became a concrete and cruel reality for our country although we did not so much know as guess about the offensive which was part of it. A significant number of our fellow countrymen, who had been turned into obedient executors of the will of a foreign aggressor with the assistance of psychological and ideological stereotypes, took up arms in an attempt to seize power through a rebellion organized, led, armed and financed from abroad by international communism... In the face of this chaos, revolt, violence, and the intellectually, morally and politically subversive activities, which subjected our national sovereignty to serious danger, the armed forces considered it their duty to take the most decisive and urgent measures, having accepted a new responsibility for the preservation of the sovereignty and political leadership of the nation." (General Cristi's colloquium applauded.)

Further, Cristi continued: "As the Senior President of the Republic recently indicated, 'the revolt has not yet been suppressed; the rebels are secretly continuing their activities both within the country as well as beyond its frontiers.' These activities may take the form not only of violence and rebellion, they may also be carried out through espionage or even by penetration into the ranks of the armed forces. It is in this particular area that the military-civilian process, which is now taking place in Uruguay, has not yet reached the necessary positive results, and this constitutes the greatest danger which the process must confront if we truly intend to win the war.

"We cannot close our eyes to the fact that in many strata of the population, and even in state and other similar institutions, despite all our efforts, the subversive spirit has not been eradicated...."

Nelson Ferrera Albarracín talked about the "grand challenge" thrown out by the dictatorship to the people of Uruguay. The personality of Alejandro Rovinsky, who was the minister of foreign affairs until July 1978



There is a striking example of this; in pompous tones he preached undoubted lies from the platforms of international forums. He said specifically: "There is no need to explain anything about human rights in Uruguay as there is no fragmentation for any accusations. There is only propaganda, and there is no official concept abroad and sometimes supported within the country, which takes as their purpose the distortion of the genuine situation concerning human rights in Uruguay." But on May 18, 1977 Lieutenant General Videla said more precisely that human rights cannot predominate over manifestations of "sovereignty." On 29 June he made the following statement: "We had to resort to the highest spiritual forces of our nation and to the inexhaustible patriotism of the army in order to protect the national property from the corrupting international red bourgeoisie."

Similar "confessions" abound in the statements by the fascist bosses, who are attempting to create an "anticommunist international." The reactionary newspaper FALS has already written about this attempt in connection with the welcoming statement it made during the visit of the Indian, nonfascist deputy president, a guest of the dictatorship, which practices every kind of ruffianism from the American Ku Klux Klan to the South African racists.

The dictatorship in Uruguay was a consequence of the counterattack by the forces of imperialism. In our times imperialism is suffering defeat in all spheres of public life and it is creating more and more new and insoluble problems. The calling of the latest governmental assembly in Uruguay is one more piece of evidence of this trend. It is already clear that a mousetrap has given birth to a mouse. All the main dictatorial forces and their accomplices gathered for this assembly not so much to look backward as to outline the trends of future development. It was also clear that the purpose of this meeting was to discuss what had been done in the country since June 1973 and what kind of policy should be implemented in the future.

It goes without saying that no constructive solution was found. The meeting confirmed once again that the dictatorship expresses the interests of the major banks and the financial oligarchy while obscuring the activities of the foreign monopolies, to which it has always been practically all hands. It demonstrated once again the dogmatic nature of the policies of the ruling circles, which engage in abstract discussions about "development" and which praise the "security system" which has been introduced into the country.

Since June 1977 a split has started to appear in the ruling circles. It is for this reason that the FPU underground appeal, which was cited above, is circulating even among officers. The appeal says, in particular: "Behind the external appearance of 'strength and uniformity' there are signs of a new crisis in the 'upper echelons,' which are now experiencing a period of instability. It remains the basic task of resistance to strengthen the independent alternative for action by the

...an alternative which provides an opportunity to undertake decisive participation in current events and to make use of any weakening of the ruling regime in order to find a genuinely democratic solution through a decisive struggle by the masses organized into coalitions on a democratic basis.

"At the present time conditions are developing for a merger of the democratic and antifascist movements.

"It is difficult but possible to defeat those who convulsively cling to their privileges and are confident that the crimes which they commit will not be punished.

"The sooner we accomplish this, the less will be the suffering with which the people shall pay for this... Our society has concealed in its bosom powerful forces, which are capable not only of blocking the road to fascism but also of defeating it and of establishing the freedom and democracy which are essential for national existence. This will be possible only when all the real, patriotically-inclined social and political forces are united."

The Communist Party does not entertain any illusions that a way out of the dead end situation can be found tomorrow; however, the events of 1978 have shown that the situation in Uruguay is developing in the expected direction. The economic and social situation continues to grow more acute, the deadlines for making interest payments on foreign debt are approaching. The cost of living is growing. Uruguay's international isolation has increased substantially as a result of the decisions by the UN Commission on Human Rights, the International Labour Organization and the Organization of American States, which has rejected Uruguay's proposal to hold a session of the General Assembly in Montevideo. Various delegations made up of lawyers and others have stated that human rights are being violated and that political prisoners are being held. Changes have taken place in the army command; a political climate has given rise to hopes for changes in certain ministries. However, repression continues and it encompasses more and more strata of society. The Catholic Church has once again been forced with its condemnation.

These factors, which contribute to the political mobilization of the masses and which intensify the existing contradictions in society and provoke new ones, must be decisively and urgently used by the democratic forces because only the people can make those changes which the country needs.

Any genuinely democratic solution presupposes: 1) mutual understanding, coordination of identical views concerning a program of action for the political, social, political, military and religious forces; 2) the liberation of thousands of prisoners; 3) an end to the policy of torture and the constitution of law.

Communist school, 10-15-20 percent of all political prisoners in Uruguay, and they have been subjected to the most cruel blows from the tyranny, which has carried off thousands of our comrades. We make our sacrifices consciously in order to prevent the strengthening of fascist forces, and we know that these sacrifices are not in vain. The ruling regime finds itself in ever greater isolation, broader and broader strata of the population are beginning to understand the true essence of the dictatorship, which is attempting to strangle freedom.

We are not moved at all by a feeling of revenge or a desire to take revenge; we are filled with a deep aspiration for freedom and democracy founded on justice. We do not demand any advantages for our party, we want rather to demand for all parties the legal right for political and public activity. For this reason, we need to put forth enormous effort in determining the path of unity and mutual understanding which will lead to the defeat of the dictatorship and the assertion of the principles of democracy and justice in Uruguay.

The CPU calls on working people, the middle urban and rural strata, teachers and students, all political parties, young people and the military to fight for genuine national unity, for the salvation of the homeland, for the welfare of the people, for the implementation of a just patriotic policy and for the protection of sovereignty, all of which can be achieved if those who have betrayed their native land and people are removed from power.

The last five years have shown clearly that the Communist Party of Uruguay is a real political force, and its struggle against fascism is acquiring for it ever greater political and moral authority. This also finds confirmation in the unity of the party, which firmly adheres to principles of Marxism-Leninism and proletarian internationalism, and as well in that unity with which it has healed the wounds inflicted on it and frustrated the attempts of the dictatorship to destroy the party and to eliminate it from the nation. There is also evidence of this in the behavior of the political prisoners, who cannot be broken by the torture of the torturers, and in the increasing opposition by the working class, which opposes in the most varied forms the reactionary regime and its military, and which works to strengthen solidarity with the most diverse strata of our society.

Despite the difficult conditions of the underground, the CPU continues to exist as an organization of a national scale. Numerous party publications are issued: CARTA SIMASAL, ANALISIS I ORIENTACION, LIBER ARSE and others; other mass organizations also print various organs. Writing on walls and graffiti around the cities of the ruling circles and appeal for the extermination of unity against the dictatorship.

The country cannot wait. Every day it loses more and more of its vital forces; thousands of young people migrate from Uruguay every month, its culture is being destroyed, prisoners are rotting alive in concentration camps, and everywhere there are lawlessness and torture. The maneuvers and lies of the ruling regime must be opposed with one force: the force of democratic unity among all parties against the dictatorship.

REFERENCE: "Internacional 'Xenia'", "Latinoamericana America", 1979

3551  
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## RESTRUCTURING OF LAFTA SUGGESTED AS CURE FOR ITS STAGNATION

Montevideo EL DIA in Spanish 17 Nov 79 p 6

[Text] Loosely glossing Pirandello, one could talk of 11 countries in search of a free trade association to define precisely the specific situation which LAFTA is experiencing after 20 years of validity and as many more of failure. Or at least of a vacuum in the major system of integration for which it was devised as an appropriate instrument.

There is an unfortunately very Latin American tendency to beat around the bush but it does not stop there. This is followed by an inability to see the forest for the trees and one ends up having debates on one of the latter. It is what we fear is happening in the emergency since regrettably in group discussions topics and statements are being conducted having little bearing on the deep causes of LAFTA's stagnation. Nor, as a result, on the ways to proceed to get it to move forward.

A few days ago, a prestigious paper put together the account that with increasing emphasis had recently been used. For LAFTA actually to begin to get under way, it was essential to proceed with its restructuring. One was therefore heading toward a "breaking up" of the association.

A few quick clarifications corrected this erroneous point of view to the extent that the ambassador of our country himself was able to make statements picked up by the press of other nations in the area as well as of ours stressing that no one was resisting such restructuring. The Uruguayan representative, Ambassador Donamari, recalled that it was planned initially to allow a period of 12 years for the final attainment of a free trade zone, a period which was then extended in Caracas until the last day of 1980.

The absence of any changes being confirmed, a consensus was practically reached along the lines that nothing would be gained by further extensions. "The 11 countries"--the Uruguayan ambassador apparently said according to published statements--"agree that LAFTA must be restructured."

The truth is that if the consensus is limited to such a general thing and at bottom an insignificant one as has been noted, the situation is not one for expressions of great optimism.

In this connection it would be appropriate to recall strongly once again that (international) bodies never fail nor do they do just the right thing. Failing or doing just the right thing is not the destiny of instruments. Treaties are not such sure things.

As in the case of the OMC, and in addition gathering together proposals that we will realize with respect to it in the near future, it is pertinent to reiterate that--as opposed to the inaccurate view of the newspapers and even of the bureaucracy which it volunteers at times on the subject--there will be no more integration nor are more free trade than what the member countries are prepared to set in motion. With any structuring or restructuring, LAFTA will not be more than an acronym if bring about at the level of chancelleries and economic teams, that is, through the governments themselves, the major change which regrettably nothing seems to predict.

That our warnings have been LAFTA's Achilles heel; its theoretical character. This means its status as a body conceived without any clear awareness of the goal to be attained through it. From this standpoint the European experience is especially illustrative. There, an agreement for a community was not signed nor, while each government continued to follow its own policy, did they wait for the literary magic of a treaty's clauses to be completed successfully achieving integration. There, the method was the opposite. Integration was decided upon and with the effective steps taken to achieve it they ended up with the community.

In other words: integration in Europe has prospered because they did not trust blindly in the bewitchment of words, nor was something so important as the continent's economic pooling left up to chance. Now here we seem to be satisfied with having replaced all of the failures by the great hope we place in the word "restructuring." Perhaps because of not seeing that, to speak in realistic terms, it seems nothing.

We admit we would be pleased to see the statements and indications move ahead more clearly down the actual path towards Latin American integration.

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## CHURCH DIVIDED INTERNAL SOCIAL ISSUES

Montevideo: LA MANANA in Spanish 19 Nov 74 p 16

[Text] The Auxiliary Bishop of the Montevideo Diocese, Monsignor Jose Gotardi, in commenting on what was taken up at the recently concluded Uruguayan Episcopal Conference, referred to the issues relating to trade unionism, constitutional guiding principles and actions taken for the beautification of Montevideo. Monsignor Jacinto Vera who was the first bishop of Montevideo.

In our last issue we reported on other aspects of the bishop's statements, such as the announcement of a possible visit by Pope John Paul II between June and August 1983, on which the bishops will pronounce their definitive opinion on the 29th of this month so as to adopt the position which the Uruguayan church's representative will take at the synod to be held at the Vatican between 20 September and 30 October 1983; the Fifth Pastoral Plan and the housing issue.

## Trade Unionism

On trade unionism, Monsignor Jose Gotardi later affirmed that the Uruguayan Episcopal Conference's Department of Social Action issued a document entitled "A Few Reflections on Labor, the Workers and Their Unions," in which for 4 pages our country's church sets forth its stand on the future regulating of our country's trade unions. He emphasized that the document "is the result of a maturing of social teaching of the church clarified and enriched over recent decades by the development imparted to it by the sovereign pontiffs from Leo XIII to John Paul II, focused on its own and original concept of man and also comprehensive of his position in social, economic, cultural and political life."

"Without it," he went on to say, "Christians mimic each other with respect to materialistic and secularized ideologies concerning which a relativistic discernment should be applied."

"The document textually states in the passage," he asserted, "that it is therefore essential to work through trade union structures with full internal democracy responsibly incorporating every worker and ensuring

its participation. In that way mass unions, the easy prey of partisan sympathies or pressures from employers responding to external or internal interference, will be avoided.

#### The Constitution

"The guidelines of the constitution which will rule our country," he went on, "were explained to the Uruguayan bishops by experts involved in the drafting of this political document. A group of specialists set forth to the prelates the main guidelines of the new constitution and what we did was to report in depth on this subject, as on others (housing and trade unionism) which concern us very directly in that the church is not divorced from society."

#### A Uruguayan Saint

"The steps being taken," he went on, "will proceed at the Holy See with respect to the cause of Monsignor Jacinto Vera's, first bishop of Montevideo; beatification, the one considered today a 'Servant of God.' The immediate petition will be beatification and then the conditions will be set for the transformation into a saint."

"This entire process is a long one," Monsignor Gotardi explained, "but we wish to pursue this cause in the belief that in the coming years a Uruguayan could be transformed into a saint of the Universal Church."

Finally, he said that at this Uruguayan Episcopal Conference, Father Emilio Izquierdo, he said, was replacing Fathers Jorge Techera, Orlando Romero and Eusebio Bruno, was designated the new Coordinator of the National Pastoral," the Auxiliary Bishop of Montevideo concluded.

Montevideo

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## 'NATION STILL EXPOSED TO ACTIVITIES OF ANTINATIONAL GROUPS'

Montevideo EL DIA in Spanish 19 Nov 79 p 1

[Text] "Uruguay is still exposed abroad to the aggression of antinational groups which are attempting to change the country's normal functioning."

That is what Jorge Pacheco Areco, our country's ambassador to Switzerland, noted when queried by CX 20 Radio Monte Carlo, because of the recent incidents during which the diplomatic delegations in Geneva and Madrid were attacked.

Pacheco Areco repudiated such attempts noting that they were part of the actions orchestrated by "groups which have for some time been working against our country and our functioning. This obviously is not an isolated action but rather one that is part of a plan orchestrated with lamentable results. For as these actions are not new and are developed by men and organizations we have known for some time. We have had a dismal experience along those lines."

Later the Ambassador Pacheco Areco stressed that these deeds prove that our country is still exposed abroad to the inadmissible, antinational activities of these organizations.

## A Positive Image

The Uruguayan diplomat also made a special point of noting that Uruguay's image abroad and basically in Europe has been strengthened.

"I have no doubt whatsoever as to there being a true image of Uruguay today and anything that may be said to the contrary is part of the mentioned actions of some groups."

Finally, on being queried as to a possible transfer to the diplomatic delegation in the United States, Pacheco Areco stressed that such reports have no official stamp and that for the time being it is known that Brigadier General (Retired) Jorge Calday is the ranking official at the embassy in Washington and that consequently nothing can be said. "The Ministry of Foreign Affairs will have to be the one to make its opinion known and for the time being nothing has been made manifest."

### A Presidential Candidate

Finally, Jorge Pacheco Areco affirmed that it was premature to talk of candidacies and candidacies looking toward the elections of 1981.

Questioned as to a possible offer to become a candidate in the coming elections, he emphasized that "we are in a hurry to talk of candidacies and we must go on working in the proper way. The process to which we are committed has as its goal to get Uruguay moving forward and everything else can be considered secondary."

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DATE: 2010

## LOAN earmarked FOR RECONVERSION OF INDUSTRY

Montevideo LA MANANA in Spanish 17 Nov 79 p. 6

[Text] before the end of the current year the \$50 million loan which our country will use for the industrial reconversion and expansion of its agroindustries may become reality.

In addition, according to what was said last night to LA MANANA, this financial support might go into effect during the initial months of 1980 thereby continuing those significant programs which have been on the way to completion within the sphere of the Ministry of Industry and Energy.

As we have already reported, over \$150 million have already been invested in the industrial reconversion program while over \$7 million AID credits have been invested in the expansion of our agroindustries.

Some days ago in fact the one holding the mentioned state portfolio, chemical engineer Luis H. Meyer, indicated to LA MANANA that new support in the form of credits was being negotiated for the agroindustries. On that occasion the Minister of Industry and Energy emphasized that about 50 percent of all the projects deemed of national interest within the framework of Law No 14,178 for Promoting Industry use raw materials of agricultural origin.

Moreover, as a means of developing that agroindustrial expansion program, officials of that ministry are gathering in the interior seeking among other objectives to spread the concept of agroindustry as an indispensable complement to the primary sector.

Outlines of agroindustrial projects and technical booklets have also been published.

Summing up, the secretary of state indicated on that occasion that "the ministry is using every means within its reach in an effort to encourage even more the development of agroindustries for which Uruguay obviously possesses comparative advantages."

## Industrial Reconversion

Also, where the industrial reconversion program is involved, the loan being negotiated will be utilized to expand what is being carried out at the level of various national industries.

A Chilean technician, a specialist on the subject who counseled the Ministry of Industry and Energy on various important aspects of the field, recently arrived in our country.

As our readers are already aware, a vast industrial reconversion program begun in 1973 has been achieved in Chile which makes it possible for our country to analyze that whole process adopting significant basic elements of it.

Specifically, during his recent stay in Chile Minister Meyer had a chance to visit some industries and observe the progress achieved in the area of reconversion which serves as an important precedent in analyzing the Uruguayan situation.

With respect to the credit negotiations already mentioned there remains the arrival in our country of a mission which will work out various details with Uruguayan authorities and later on those agreements will be submitted for the legislative branch's consideration.

In conformity with the progress that the negotiations have already made, it is estimated that everything can be realized before the end of the current year.

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## BRIEFS

**ALUMINUM SHORTAGE**--The executive branch yesterday adopted a measure seeking to avoid the current shortage of a material considered basic to the construction industry. By a decree pronounced the preceding night it was provided that the importing of "aluminum sections" be taxed a 36 percent total of percentage taxes: a 10 percent surcharge, a 20 percent single customs tax on imports (MADUNT), a 2 percent tax for the transport of bulky items (TMB) and a 4 percent consular tax. As the decree provides, an effort is being made to avoid a shortage of that material caused by the building "boom" recently experienced in the building industry. It is stipulated that "it is necessary to determine measures so that that the said industrial activity will not become obstructed for lack of one of its basic materials." On the other hand, it was decided that to import prefabricated wooden buildings (houses, shelters), the minimal 10 percent surtax will be the only concept applied. In this way, steps taken by various entities are being kept in mind on the basis that at the present time there is no normal national production of such materials. Furthermore, it is felt that the building of housing in our country will be encouraged through applying methods implying a reduction in costs. (Text) [Montevideo LA NACION in Spanish 17 Nov 79 p 6] 3094

**PRICE OF LIVESTOCK**--The cost of livestock rose 62.34 percent from December 1978 to October of the current year according to data from the General Statistics and Census Bureau. The increase for the same period during the previous year (December 1977 to October 1978) was 16.45 percent. The category of the 02, is primary cattle type. The most was that of food, by 8.71 percent. The second highest category was meat, 11.68 percent; housing, 12.61 percent, and clothing, 7.20 percent. The change experienced by the consumer price index in October of 1979 was 1.61 percent. During the same month of the previous year, the increase was 1.77 percent. Last month the change by category was: clothing, 0.20 percent; housing, 1.42 percent; food, 1.01 percent, and miscellaneous, 1.76 percent. (Text) [Montevideo EL DIA in Spanish 10 Nov 79 p 3] 3092

**TRADE DEFICIT**--The gap recorded by the Central Bank caused somewhat of a shake with respect to the country's trade deficit which at the end of last August was approximately on the order of \$100 million. The figure came from a comparison between exports since the beginning of the year until that time,

that is, for the first 8 months, a figure which amounts to \$519.5 million dollars, and imports made during the same period amount to \$627.5 million which reveals an imbalance or difference of \$108 million. For a full assessment of what this indicates, it is appropriate to compare this deficit with what occurred in the immediately preceding year and for an identical period, that is, for the first 8 months. In conformity with the data which have become known, the deficit then was \$5,674,000, the difference between \$434 million in exports and \$439 million in imports. It would be well to get our bearings and recall that the increased burden of expenditures for petroleum has a heavy impact on this unfortunate outcome, the realization of which may perhaps stimulate all of us to use a little less and to contribute towards the country saving as much energy as possible. [Text] [Montevideo 11 DLA in Spanish/ 19 Nov 79 p 2] 8094

CSO: 3010

CALDERA POWER ASSURED BY COPEI SECRETARY GENERAL ELECTION

Caracas BOHEMIA in Spanish 19-23 Nov 79 pp 6-9

[Text] COPEI [Social Christian Party] has a new secretary general. Eduardo Fernandez brings the '58 generation for the first time to the top of one of the most important parties in the country--the one presently in power. Fernandez won the secretary's post from Pedro Pablo Aguilar, who aspired to be reelected for the second time and to rule for a third term, making him, after Rafael Caldera, the man who for the longest period held the reins of the COPEI secretary generalship.

This time Aguilar failed, losing by 87 votes not only the secretary generalship, but control of the National Committee and of the Disciplinary Court. He still holds power in three sectionals, four functional agencies and the National Directorate.

This is quite some coincidence, considering that the victory of Eduardo Fernandez and his supporters is a victory for Rafael Caldera and that the chief and founder of COPEI bet pretty strongly on this occasion and threw all his weight and prestige behind Eduardo and, more particularly against Pedro Pablo Aguilar.

Then the COPEI convention and the entire process which preceded it was a struggle for party leadership and power. The two most important COPEI figures, Rafael Caldera and Luis Herrera Campins, were behind the contenders for the secretary general's job.

The current president of the republic, allied with Pedro Pablo Aguilar, had taken control of the party away from its all-time leader. Thus Luis Herrera could be first a candidate and then president of the republic, a situation in which Caldera was forced to resign himself and patiently await his revenge.

And this was the time for it. So it was that the Caldera sector of the party wanted to hold the convention this year, since they feared, and with good reason, that time would be against them and consolidate Aguilar's internal power through the use and advantage of government positions.



## Calderón's Threat

Calderón's supporters knew how to take advantage of the internal discontent and attrition which logically results when one man is in office too long, as happened with Aguilar. This softspoken man of few words had succeeded in winning on two occasions, but, like Winston Churchill, who lost power after bringing England to victory, Aguilar lost it after bringing COPEI back to the government and after making it the strongest party in the country--stronger than the Democratic Action party.

Calderón had to defeat Aguilar now. If he did not, he would lose the party forever, and the 1983 candidacy would not be his, but would go to a supporter of Herrera--Pedro Pablo himself or Pepi Montes de Oca, both of whom have been out of favor with the former president for a long time.

Calderón's statement announcing the victory of Eduardo Fernandez a week before the national convention can be explained. The former president knows better than anyone else the resources which can be employed from within the government to change the opinions of many delegates, since he, Calderón, used them (or allowed them to be used) when Lorenzo Fernandez won the candidacy from Luis Herrera himself.

Calderón set his stature and his prestige against the internal machinery, then in Aguilar's hands, and the power of government. Afterward, on the day of the convention, he approached the president of the republic himself to ask that the government keep hands off the dispute, and he sent Dr. Bel Corral and the "negro" Perez Díaz, a man of whom the president is fond, to Miraflores.

Calderón went even further. He told his party and, in a manner of speaking, the country that Pedro Pablo's victory would be damaging to both party and country. It was a clear questioning of his adversary and a way of announcing that he was not willing to accept defeat. Many believe, therefore, that Eduardo's victory ended the possibilities for division which for the first time were close, very close, to COPEI--a step which only Rafael Calderón would dare to take.

That explains the tone of Calderón's speech after the victory. It was not only misgiving because, for the first time, he was not permitted to speak at a national convention. It was a settling of accounts with his internal adversaries and a message about how COPEI will conduct itself henceforth in its relations with the government.

The former president's speech--"inconsiderate," according to Pedro Pablo Aguilar; "unexpectedly aggressive and unusually plemic," according to Abdon Vivas Toran; "not very generous to the loser," according to other political observers--was a message with a point.

It was to stimulate his own supporters to elevate those who have been most faithful to him; to condemn those who left his side or had never been with him. It almost carried a threat against those who desire to use power for dissonant purposes. . . . attempt to stir up the party again.

## Caldera's Leadership

Nobody in COPEI disputes Caldera's position as historical leader, although they have indeed dared to question his leadership and even to replace him in the exercise thereof. For this reason he decided to leave out of 1960, where some would prefer that he stay, so that he could lead his legions in the reconquest.

Caldera's life and the history of COPEI are almost one and the same. In 1934, when he was just 18 years old and a beardless youth, we see Caldera attending an International Catholic Youth Congress in Rome, out of which came the decision to found Christian Democratic parties in Latin America.

In the case of Venezuela, the proposal had to await, first, the disappearance of Gamex, and then, for conditions to be propitious to bring to fruition the political proposition which always existed in Caldera's mind. Then it was the UNE and the confrontation of the leftist students gathered under the banner of the FEV [Venezuelan Students Federation], and later Electoral Action, which brought Caldera for the first time to the Congress of the republic and the National Action Movement of the Medina era.

The October Revolution opened up possibilities for the parties, and Caldera did not wait long before breaking with AD [Democratic Action], a party which he initially supported and under which he was attorney general of the republic. On 13 January 1946, across from Plaza Candelaria, Rafael Caldera founded the Committee of Independent Political Electoral Organization, COPEI, a name which stuck and to which was later added the descriptive name, "Social Christian," which initially it did not have.

When Caldera speaks now of the founders and of the allegiance owed to them, he is doubtless referring rather to those who stayed with him after 1936, among them Lorenzo Fernandez, Pedro del Corral, Edecio La Riva and Godofredo Gonzalez. Others of that era, such as Pedro Jose Lara Pena, Eduardo Lopez Ceballos and Silvio Gutierrez, broke very early with Caldera.

Speaking of the founders of COPEI, one would have to include, among others, the youth who formed the second generation UNE and who erupted into political life after the October Revolution.

Among those signing the act establishing COPEI were not only Luis Herrera Campins, who spoke on 19 October to announce UNE support of the Betancourt revolution, but also Valmore Acevedo, Defensor Medina Castillo, Rodolfo Jose Cardenas, Pedro Pablo Aguilar, Rafael Montes de Oca, Cruzado Garcia Bontillos, Felipe Mantilla, Jose Luis Zapata and Guido Diaz Pena.

As one can see, today all of them are in the defeated group, and some are very close in the affections and confidence of President Herrera. For this reason the dispute within COPEI appears to be among the founders themselves, and everything indicates that this convention, won by Caldera, will not end the internal squabble, but rather place it in another context and in other dimensions.

Secretaria's supporters will not give in, just as Caldera in times past did not. Leadership of half the party and of important national agencies and sectors, with the support of Miraflores, offers a not inconsiderable platform from which to launch the reconquest, which was possible once before when such valuable fighting tools were not available.

#### Immediate Future

Obviously the COPEI picture has changed since 11 October. Internal relations will be reformulated, and Eduardo Fernandez will have his trial by fire in trying to be secretary general of the entire party and not just a fraction of it.

Fernandez will have to use all his wisdom, which nobody denies he has, to continue to be faithful to Caldera while not appearing to be simply the latter's rubber stamp. Pedro Pablo Aguilar, in turn, will have to do his best, with the patience for which he is so well known, not to be the victim of the trauma of defeat, which he has known for the first time, nor to succumb to the tribulations, the first of which he has received serenely and without reaction.

Fernandez should know that he now has none of his own people in majority positions in the National Committee. Relations between party and government will also necessarily be different and will have to be carried on so that the president is not isolated from his own party, an experience his predecessor, Carlos Andres Barea, had had and of which we are still seeing the consequences.

Future relations between COPEI and Democratic Action will be placed on another footing. Caldera recognized in his speech--and it was no accident--the gesture made by AD in the "Sierra Nevada" case. If Romulo achieves the same thing in his party, which appears likely, we will again have more of the same, in order to maintain and consolidate the political system.

Caldera's statement against corruption--and his offer to be the spokesman for any accusation anyone might want to make against members of his own party--could not be a casual or simple emotional gesture.

It is a warning and even a threat to those who feel themselves tempted, by the lure they hold either in the government or in the party, to enrich themselves illegally, and particularly to internal adversaries who go about with ill-concealed intentions.

The COPEI convention will still provide much material for discussion. This appears to be the end of only one round in a prolonged struggle, and after the fight for the secretary generalship and control of the party machinery will come the aspirations for the 1961 candidacy.

Things have been like this before in COPEI. We recall that during Caldera's administration he appealed to Pedro Pablo Aguilar to dismiss Aristides Baez from his post as secretary general because he wanted to ingratiate himself with the party and be the next presidential candidate.

Aguilar's victory--a paradox of history--opened the way for the candidacy of Lorenzo Fernandez, Calder's protege, and closed the door to the other aspirants of that era, Herrera and Beaujon.

Now history appears to be repeating itself. Caldera brings in his former protege from outside the government and is supported by the upcoming generation, headed by the troika cited by Caldera: Eduardo Fernandez, Osvaldo Alvarez Paz and Jose Curiel.

The road to the candidacy appears clear, although President Herrera, in spite of the difficulties he is facing, is rubbing the rabbit's foot he always carries in his pocket.

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# LAGOVEN 1980 INVESTMENTS TO REACH 3.6 BILLION BOLIVARS

Caracas EL UNIVERSAL in Spanish 24 Nov 79 p 1-15

[Article by C.R. Chavez]

[Text] If the 2.4 billion bolivars which LAGOVEN is investing this year are added to the 3.6 billion bolivars, the budgetary figure of that oil enterprise totals 6 billion bolivars in 2 years.

Noteworthy successes are being obtained from the exploratory drillings of LAGOVEN, in both the western and eastern parts of the continental shelf.

The discovery of a natural gas deposit by LAGOVEN in the eastern part of Margarita is considered the largest discovered in Venezuela to date.

Reflecting the great vitality and expansion process now taking place in that enterprise, a subsidiary of the Venezuelan Petroleum Company, Dr Guillermo Rodriguez Eraso said yesterday that while the amount of investments LAGOVEN is making this year totals 2.4 billion bolivars, in 1980 its investment budget will slightly exceed 3.6 billion bolivars. This is a record figure in the history of that enterprise, which is the largest of the four operating companies producing and selling 2,350,000 barrels per day.

Rodriguez Eraso spoke to a group of economic information editors in Alauay, to which city they had been invited to attend the start of LAGOVEN technical operations of great importance. These operations were inaugurated by the president of LAGOVEN, after which Rodriguez Eraso began the press conference by citing the budgetary figures already mentioned. His next topic was exploration; and he said that the enterprise is working simultaneously on several fronts: western, eastern and offshore. In all regions, the results have been positive up to now. "Of course," he warned, "when it comes to exploration, we never bat 1,000; however, I can say that in the case of Perija, where we have had encouraging results, we are batting two-for-two." He cited the success being attained in the deep drillings, that is, down to cretaceous levels (which are between 16,000 and 20,000 feet), where good results have been obtained. "Both in Perija and the Urdaneta corridor (in Lake Maracaibo) exploratory drilling is giving us good results."

He went on to mention the discovery of natural gas in the northern part of Margarita Island, stating that it is the largest discovered in the country up to now and assigning it extraordinary importance for the country's future.

He then talked about the LAGOVEN program in the Orinoco oil belt, saying that exploratory drilling has already started in Cerro Negro, Morichal and Cogollar. Sixteen wells are being drilled there this year; however, beginning in 1980, the program provides for the drilling of 100 wells per year. The plan is to begin definitive development of this region, where it is estimated that in 9 years, i.e., 1988, there should be a completely developed oil field, including modern refining installations for the production and processing of 125,000 barrels of crude oil per day. The specific gravity of this oil upon extraction is 8 to 9 API degrees; i.e., extra-heavy oil.

With respect to exploration, he concluded by saying that this year LAGOVEN will drill 130 new wells, adding that in the drilling sector 365 wells per year are drilled; i.e., one well a day, all at an overall cost of 700 million bolivars, which is the exploration budget. This figure will be virtually doubled in 1980.

On the subject of production, Rodriguez Eraso said that LAGOVEN is operating between 4,000 and 5,000 wells daily, from which about 1 million barrels of oil per day are being extracted, the equivalent of 45 percent of national production. Of this production, 40--and at times 45--percent consists of heavy crude oils; the rest is medium-light and light crude oils. However, because of improvements in the techniques of secondary recovery, maintenance of wells, etc., the margin of recovery in some cases reaches 60 percent of the oil in the subsoil; i.e., in situ crude oil.

Investments in production in 1980 will be 1.5 billion bolivars, Rodriguez Eraso announced, emphasizing that with the passage of time LAGOVEN is making progress in improving its techniques for extracting heavy crude oils at the same time it is increasing the proportion of such crudes in its overall production.

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## VENEZUELA

### BRIEFS

LAGOVEN ORINOCO EXPLORATION--Caracas--The LAGOVEN enterprise of Venezuela will drill 200 exploratory wells in the Orinoco oil belt in 1980-1981, according to the latest issue of the magazine PEQUIVEN. The publication pointed out that the LAGOVEN program started with the drilling of well CNX-1 in the southern part of Monagas state, which means that the enterprise has begun large-scale exploration in the belt. The magazine said that geological plugs are now being taken from the above-mentioned well to analyze and determine the origin of the oil and the characteristics of the deposit. In a related connection, the magazine indicated that MENEVEN, a subsidiary of PDVSA [Venezuelan Petroleum Company], will also drill 200 wells in the areas of the old and new Orinoco oil belt. The old area of the belt is the one which has been exploited since before nationalization and which covers the states of Anzoategui and Monagas in the traditional oil regions. Up to now, MENEVEN has produced 652 billion barrels of oil in the eastern part of Venezuela, many of which were obtained through the secondary recovery method of gas injection. This secondary recovery system consists in introducing gas into deep deposits and into those containing heavy oil so that the hydrocarbons flow freely to the surface. [Text] [Caracas EL UNIVERSAL in Spanish 21 Nov 79 p 1-23]

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